

# Sample essay on minimize operation costs

[Business](#), [Company](#)



## **Business Process and System**

### Abstract

This paper is on business process and systems of Pars Food Ltd. The paper is divided into two essays with first essay on the task of how total quality management and supply chain management of Pars food ltd can help the company in achieving its long term objectives. The second essay will discuss how organizational structure, employee selection and training helps in achieving the aligned organization, value added products and competitive advantage and differentiation aspects of Pars Food Ltd's strategy and vision.

### Business Process and System

## **Increase Market Share: Expansion to Europe**

According to Bernard J LaLonde, professor at Ohio State University Supply chain management (SCM) is “ The delivery of enhanced customer and economic value through synchronised management of the flow of physical goods and associated information from sourcing to consumption” (Zigiaris, 2000). The portion of ‘ sourcing to consumption’ helps in achievement of potential of supply chain as it requires integration of entities which are internal as well as external to the organization. Superior service which is achieved with well fuelled SCM will help Pars Food Ltd achieve greater market share in domestic market and make plans to move to European market. This increased share will bring competitive advantages like low cost of warehousing costs, transportation costs, reduction in inventory levels, lower cost of transaction and less wastage. This increase in market share of Pars Foods can be then achieved without cutting any prices and by

performing better job than their competitors based on superior SCM. TO simplify, Pars Foods not only need a superior product but they also need to upgrade their process which are necessary for their growth. Total quality management (TQM) implementation directly improves the operations of firm by increasing the quality standards and indirectly affects the customer satisfaction and market share. Pars Food needs TQM for improving their operational efficiency by reducing the scrap rate, defect rate and rework rate. With improved operational efficiency Pars Foods can have a satisfied customer base which will increase the revenues of the firm with repetitive purchases from customer. With high customers retaining rate and loyalty the market share will automatically grow in the markets where the company operates. Many companies implement TQM maintain and expanding their market share and companies which operate in Food industry where regulation standards are high the need for TQM is extra.

TQM helps companies like Pars Foods to understand their own organization and operate cohesively. It provides the means to measure the effectiveness with which company produces the products and services through their organizational processes, resources and procedures. Organization system which involves TQM provides higher quality control and production optimization with development of standards which comprise of creation, design and developing Pars Food's products. This helps in achieving the end result of increased customer satisfaction. Effective quality management system will help reduction of warehousing costs, transportation costs, reduction in inventory levels, lower cost of transaction and less wastage.

## **Customer Satisfaction**

For every business customer is the king and customer satisfaction is considered as the utmost priority. Pars Foods needs to be sensitive to the requirements of customers and respond to their changing needs. With TQM the company has to do more than just respond to their customers, they require going beyond error reduction and reducing customer complaints (Oluwatoyin & Oluseun, 2008). With increase in competition, food companies like Pars need to become more involved with their suppliers operations and customer needs. For remaining successful in competition in challenging business environment, Pars Food needs to integrate their internal functions (customers & employees) with their external operations (suppliers and SCM members). The focus has to be on the SCM practices which impact the enhancement of SCM activities and performances. The process of preparing and distribution of products to customers needs to be more effective and efficient to remain competitive and expand market share.

## **Increase Product Range**

Pars Foods is in a strong position at present to launch new products like “ Pars Chilli Pepper Cheese Nuggets” and “ Pars Seasoned Twisters”. For successful launch of these products and any other addition to the product range of Pars, the company needs to ensure that their Supply Chain is optimal and it remains optimal with the level of changes. With plans to launch any new product in the market Pars Foods require to redesign their supply chain to ensure the new product is delivered to the market with same efficiency and effectiveness. With optimal supply chain which can incorporate launch of multitude of new products or is lenient on launch of

any new product as the supply chain is lean enough, Pars can attempt to launch and successfully market the product (Crippa et al, 2010).

## **Environmentally and Ethically Sustainability**

TQM principle includes many issues which are usually concerned with business ethics. Pars Foods needs to emphasize on their long term commitment to customers, suppliers, co-operators, society and their employees with applying the TQM principles. In addition to this they also need to pay serious attention to the issue of environment protection and safety and health of citizens. All these factors are examined for evaluating the organization performance as they form the criterion for determination of business service quality (Kopperi, 2007). TQM can be used for sustainability to help Pars Food Ltd and their divisional managers in setting goals which they can pursue for sustainable business performance, by keeping their focus on ‘ high yielding fruits’ and management of corporate issues through KPIs within the organization. TQM can help the cover all management stages which range from assessment of sustainability and proposition prioritization for corporate policies for all business units of company with relation to sustainability, which culminates with high quality of management system which incorporates sustainability supported with guidelines and policies.

## **Impact on Aligned Organization**

Properties of organizational structure are size, centralization, formalization and configuration. Numerous studies have identified the associations between these 4 dimensions and employee measures to deal with their work like satisfaction, productivity and motivation. The organizational structure

properties are related to employee indirectly via the employee attributes. Otherwise, the attributes of individuals are viewed under this framework through the relationship between employee reactions and organizational structure. Pars Foods need to develop an alternative framework to understand the relation between employee performances and organizational structure, this structure is called job modification framework. In this framework the organization's structural properties influence the employees by shaping their job characteristics. This can be divided into two steps, firstly the organizational structure has to be viewed having significant affect on the amount of complexity and challenge within employee jobs; secondly, complexity and job challenge directly influence the employees at work and the organization, To summarize, this job modification framework makes the characteristic of job mediate the relation between employees and organizational structure. Pars Food needs to figure how their employees affect the performance and profitability of organization. By hiring and promoting people who are not up to the mark can cast the company its time, new business and money. Carefully administered and developed employment test get the organizations closer to the employees which can help Pars Foods to improve their performance as an aligned organization. Training these employees to ensure their standards are matched will help Pars Foods to get the desired output from every unit they spend on these employees.

### **Impact on Competitive Advantage and Differentiation**

In pursuit of their competitive strategy Pars needs to ensure they do not get involved in 'organizational inconsistencies'. There is a possibility that Pars

Food's organizational structure might be sub-optimal for any selected strategy as they might be following to achieve 2 incompatible philosophies. Example: cost leadership needs tight control of all systems and pursuing economies of scale and dedicating to exploit the learning curve might turn out to be counterproductive for a company which is trying to create a differentiated itself with continuously offering their customers with new and innovative products. The organizational structure can be used by Pars Food as a competitive advantage, since the environment is changing continuously at alarming rate. In such a situation a well optimized organizational structure can become a major advantage for the company over their competitors. The leaders at each department of Pars Food need to ensure they shape the organization structure in such a way that it becomes a competitive advantage for the company in the market. To make this happen Pars Food needs to reconfigure its structure and make it more flexible through self-managed work teams. Staffing and Training their employees can become a major competitive advantage a company like Pars Foods. Many companies have this scenario where employees are overlooked instead of given careful consideration. Any advantage which is human resource based is quite difficult for any competitor to imitate as they are unaware of the source of the competitive advantage. Herb Kelleher, CEO of Southwest Airlines stated in a Money Magazine article which explained that the attitudes, culture, actions and beliefs of Southwest Airlines' employees comprise of their strongest competitive advantage. He said in the article " The intangibles are more important than the tangibles because you can always imitate the tangibles; you can buy the airplane, you can rent the ticket counter space.

But the hardest thing for someone to emulate is the spirit of your people"(Gaines-Ross & Komisarjevsky, 1999). Similarly, Pars Food needs to develop this advantage which will encompass in many areas. Employers who give their employees definite attention by performance and commitment monitoring might find them in a strong competitive advantage. A well equipped and trained production staff and unit will help Pars generate better quality of product. All the while its competitors might not be able to identify the reason behind the superior quality which can be equipment, superior materials and employees. When an employer deals directly with employees the can differentiate between people and their effort. Employees serve as front line of defense against the onslaught of industry and the customer's need to be surprised and satisfied. An example of employee differentiation can be any associate at a supermarket who helps a confused customer with her order and helps her locate the product she desired to buy creates a relation between the generosity of that employ and the customer which is enough to make the customer return in future. Similarly, Pars Food can start their customer query site or contact where customers can ask about Pars Foods products and gain knowledge from where to buy and get the lowest rates.

### **Impact on Value added products**

Proper Staffing and Training is essential in case it is matter of a value added product which can help Pars Food attract customers and develop competitive advantage over their competitors. Pars Food needs to ensure that they hire people in every domain from similar industry who have relevant experience in food industry. Once the right people are hired it important to make sure



that they are trained in the proper manner as per company norms and need of their work profile.

## **Conclusion**

Pars Food just like any other company in the food industry needs the correct investment, employees, products, technology and suppliers to ensure they reach their objectives and targeted growth. TQM and SCM are two essential elements of any organization and proper functioning of all procedures, programs and processes is required for Pars Food to expand their market, add to their product range, become environmentally and ethically sustainable, minimize their costs, waste and improve their product quality. To achieve the vision of the Pars Food the company needs to employ a matching strategy to their organizational structure and employee staffing and training.

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