

Overview of the business planning process business essay



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Subway chain is the third largest fast food chain in the world after McDonald's and KFC. The first Subway was founded in 1965. The founder of the Subway chain, Fred De Luca, started running his restaurant business when he was only 17 years old. The first Subway restaurant was opened nine years after its foundation in Connecticut where the headquarter is now situated in Subway Denmark.

Now there are more than 30, 000 Subway restaurants in 88 countries worldwide and it is the world's fastest growing franchise chain. New Subway restaurants are opening all the time. The franchise chain has employed more than 150, 000 people. (Subway 2009)

Subway offers customers many different kinds of fresh submarine sandwiches also called "subs". Customers always decide how they want their sandwiches to be served. Subway's advertising is based on freshness. Slogan "Eat Fresh" tells that Subway chain uses only freshly baked bread and fresh ingredients. Subway has a lot of competitors for example McDonald's, Burger King. (wikipedia)

Terms and reference – This report was written at the request of Guillermo Merelo our Organisation and Management tutor, to investigate and analyse management in organisation in the context of current management theory.

Scope and Methodology – The report considers a range of organisation issues, researching key aspects of management within the organisation. The organisation structure and processes are analysed and evaluated in relation to current theory. There are two types of sources which are related with the research of assessment.

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Primary – These are the major sources in this all the interviews related with the assessment are coming.

Secondary – The information getting from the internet and books come under the secondary sources.

Executive summary

Type and Size of the organisation – The subway which situated in the Mangere is owned by the owner Trung Keue. Total 6 employees are working in the store and they are well trained as well as doing the proper job with great and excellent skills of customer service.

Organisation structure – The Subway has a very simple organisation structure so the business can be run smoothly and effectively. All the jobs are assigned to the staff and everybody knows where they should report. Company has frontline staff to serve the customers and managers to manage the business.

Environmental factors – For a company it is important to know the market it is operating in. Knowing the possibilities for entering the market and the potential customers are vital. Furthermore it is a good idea to look at the macro environmental factors that are influencing the market. To get a better knowledge about a market, the following main question is asked:

How attractive is the market for fast food?

Planning and controlling – Every planning process goes through a series of stages. In essence the aim is to complete each of the following steps:

Analyse the external environment

Analyse the internal environment

Define the business and mission

Set corporate objectives

Formulate strategies

Make tactical plans

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Team structure and dynamics – As the subway is the fast food restaurant business so there are 6 to 8 family members are the backbone of the company as well as company has some of full time and some of part time staff to help them in business. All staff is personally trained by the owner so the best customer service can be provided. And company want the front line staff to attend every single customer when arrive in the store.

Leadership – There are some types which a company wants to see his/her as a team leader. As per good leader, there are some key elements which every team leader should have, which are following as:-responsible, motivate and well co-operate.

2. 1 Type and Size of the organisation

2. 1 a Findings:

Subway follows the informal structure as the company always welcome the views and the ideas of all their staff. As company is small, it has small team

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of staff members. By adopting this structure all the seniors in the company can interact with the frontline staff and the managers as well easily and effectively.

As frontline staff is the best medium that can pass the customer opinion to the senior level so business can do changes as per the customer requirement and the demand to get the maximum profit with the customer satisfaction.

All the staff feel more confident and feel like a team and do their best to achieve the company target. All the staff members meet on regular basis and share their experience and views.

2. 1 b. Analysis

According to me the subway is one of the well reputed organisations among the food courts because it is operated by the American Doctors' Association maybe that's why the subway got more popularity among people around the world.

Moreover, the total numbers of staff are sufficient if they are well trained and organised by the owner. Because the workers working in the subway they are skilled workers as well as they do a lot of work and facing new challenges at their workplace every day.

Subway makes fresh and healthy sandwiches on the demand of their customers. Moreover, for the satisfaction and the trust of the customer staff prepare the sandwich in front of the customer as per their demands and suggestions.

In my views subway has to provide the different dresses to crew and manager so that everyone can see the difference among them.

Furthermore, because of growing fresh food industry, people are now more preferring to subway restaurant than other fast food industries.

2. 2 Organisation Structure

2. 2 a Findings

Team – The subway restaurant management system consists of two basic parts. For each component of the organisation there is a manager who keeps on eyes all the activities which employers are doing and the employer only report to the manager. Subway is using both the organisation structures

traditional and modern as well, it does depend on the situation. Any of the complaint directly goes to the head office and it go through the phone and internet. Subway restaurant has different department for different purpose like development, and finance. The team working in the subway restaurant they are doing their work very effectively. They always report each other and if any problem arrives then they solve together. Time by time the subway offers to the customer different type of cheap deals of food which affordable for the customers.

Actually the association work too effectively they always keep in mind the customer demand and what type of food they like as well as they also keep in mind the both kind of people vegetarian and non-vegetarian.

Customer – A company needs to know who its customers are. To know the target group and its preferences can be a huge advantage. Knowing this would make it easier to make decisions concerning products, service and promotion.

Structure – Organizational structure characterized by (1) Flatness: communications and interactions are horizontal, (2) Low specialization: knowledge resides wherever it is most useful. Organic organizations are comparatively more complex and harder to form, but are highly adaptable, flexible, and more suitable where external environment is rapidly changing and is unpredictable. (Adrian Kwan)

2. 2 b Analysis

According to my views the subway restaurant has flat structure. A flat organisation will have few layers or just one layer of management. This means that the “Chain of Command” from top to bottom is short. Span of control refers to the number of employees that each manager is responsible for. If a manager has lots of employees reporting to them, their span of control is said to be wide. A manager with a small number of direct reports has a narrow span of control. Due to the small number of management layers, flat organisations are often small organisations.

The structure of the organisation:

Flat Organisational Structure Diagram

Instead of this there is no difference in the looking of manager and the workers. In the organisation manager should always look different in dress than workers then the customers easily find who the manager is and if they got any issue then they can complaint him.

If any employer doing any mistake or customer service is not good then the complaint should reach till the manager or the owner of franchisee but instead of this customer complaint directly go to headquarter.

2. 3 Environmental factors

2. 3 a Findings

External factors – The external factors is outside influences on the business.

Various factors can impact on the business to get its goal. These factors are

social, legal and technology changes. The external factors which impact on the subway restaurants are:

Social- The social impact is that how consumers, households and communities behave against the organisation. For instance, changes in attitude towards health, or a greater number of pensioners in a population.

Legal-The legal effect is in which way legislation in society affects the business. E. g. changes in employment laws on working hours.

Economical- How the economy affects a business in terms of taxation, government spending, general demand, interest rates, exchange rates and European and global economic factors.

Political- How changes in government policy might affect the business e. g. a decision to subsidise building new houses in an area could be good for a local brick works.

Technological-How the rapid pace of change in production processes and product innovation affect a business.

Ethical- what is regarded as morally right or wrong for a business to do. For instance should it trade with countries which have a poor record on human rights? (tutor 2 u)

Internal factors – The inner factors belong to strength and weakness of the organisation. The internal factors strongly affect that how company meet its objective and goal. The internal factors come under:

Staffing-The Subway restaurant care of all the staff members. The company treat their staff as a family so they can feel confident and secure in the company. The company always try to minimise the dispute between any of the staff member but even if anything happen, the owner of the subway restaurant always try to resolve the matter within the organisation.

Training- Staff training is very important for any organisation. In the first two weeks the subway owner provide the specific training to the new employer as well as if he don't understand everything in the two week period of time then the manager give him more time to understand the task because the organisation objectives and goal stand on the excellent service.

Product Quality - Quality is the main part for all the business especially when dealing with food industry and the owner of the subway restaurant knows that very well that to get the goal of the organisation the best quality product is the best and easy way for the organisation. The managers of subway restaurant always tell the employee about the quality of the product such as: bread, salads and other meat product. Because the subway restaurant motto prefer to the eat fresh and it's the rule of the every subway restaurant that they will provide all the fresh vegetables and meat as well as if any product find by the investigation team then they give the warning once after the store can be out of competition.

Safety - There are some safety rules the employees are following during the work time. They always wear the gloves while they are serving the customer and the big thing is no one can use the same gloves second time because if they will use the same gloves for the next customer then it can be the cause

of food reaction and some time customer are eating vegetarian some of them don't like non-vegetarian so the employee always keep in mind the safety for the customers and themselves. The another thing while the closing time at night they always put the sign wet floor when they clean the floor and if they will not then maybe they have to face heaps of problems.

2. 3 b Analysis

According to my views Subway restaurant is the well organised fast food organisation and there are others in the market like McDonalds, Burger King, and KFC as competitors. Because of other fast food restaurants subway decreases the sale and customers.

Other food restaurants provide the food in fewer prices that's why most of the majority of customer attract to them. Subway is too expensive against them and they should decrease the price and make them under the pocket of people because people are not happy to spend lot money.

Moreover they should give the special discount to the regular customer and then it will help a lot to make or attract the new customers. Further if any customer complaining about the product or the service they should give him free foot long sub or whatever customer need.

Apart from this subway restaurant provide same deals for long time. They should change their menu according to the demands of customer. The best way is to get the feedback from the visitors and then improve the way of service.

2. 4 Planning and Control system

2. 4 a Findings

Planning and controlling system is the main and difficult part for the every organisation. It's depending on the owner of the organisation how he will set the strategic plan to achieve the goal. The planning chart goes through like this:

Overview of the business planning process

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Effective business planning has to begin with an honest and realistic appraisal of the current position of the business. The formal term for this is situational analysis and there are several planning tools and methods which are helpful in putting the analysis together. The true purpose of situational analysis is to determine which opportunities to pursue:

PEST analysis – it is a useful tool for any business to understand the big picture of the environment in which you are operating. By understanding your environment, you can take advantage of the opportunities and minimize the threats.

SWOT Analysis – The major source to find any of the problems in the organisation is swot analysis. It show the what are the cause that business going down or losing its sale. There are four elements of swot:

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Strength – There are number of food restaurants in the market and make the space in the market place it's too difficult and subway restaurants trying their best to make the best space in the market that's why now a days they are providing numbers of meal to the customers.

Weakness – The main part of every organisation is their employee it depending on them how far they will achieve their goals. The subway restaurant team members always keep in mind to give an excellent service to customer. Moreover it's the first part of their duty to serve the customer nice and well.

Opportunities – The opportunities give the more advantage to the organisation to achieve their goals. Its show what are the possibilities to make the better place in the market against other organisation.

Threats – There are numbers of problems comes while any businesses take place in the market. The major is the finance. Now a day's establish a business is not easy it's too hard for everyone and if anyone opening the business then its second thing comes in front that how far it will successful.

Benefits of planning:

Manage risk – planning for the future provides an organisation with an external focus and can help identify potential risks for the organisation, highlighting your weaknesses and alert you to future dangers.

Motivate your staff – Thinking strategically or long-term provides the opportunity to look back at past successes and celebrate what you do well. Recognition of such achievements will not only encourage staff to make future improvements.

Be creative – Bringing everyone together to talk about the future of the organisation often helps to develop and stimulate new ideas, working out how to do things better, improve on past performance and seek to deliver sustainable services into the future.

Improve corporations – It helps to all company to work together in a teams and all gives their best in every task. All company staff corporate with each other in any stage and helps each other's.

2. 4 a Analysis

In my views the planning should be in long term period of time and in the research it found that subway restaurant have no any long term planning that what they will do. Even the employees are just coming to do their task and they are not giving their any views to the owner or manager.

Other thing is the manager is not behaving well with the employees. So they keep on leave the job and when they hire the new worker then they spend the more than two or three week to train him. Apart from this they are not doing the group task.

During the work if they are doing anything wrong then they are not thinking what is the impact of the mistake on the business and its found that during the shift the manager did rude behaviour with the customer because of that subway restaurant lost the customer as well as reputation. The owner should well organise the team and divided their task and other thing the manager not doing his task and he putting the burden on the employees.

Furthermore the controlling system is not well the workers going to finish their job what time they want even they not inform to owner. There should be the proper system of controlling. They should ensure that the right thing happening in the right way and at the right time.

2. 5 Team structure and dynamics

2. 5 a Findings

Subway Organization is collections of people. Within these groups, there are many separate teams created for specific purposes. Individuals might be on

a single team, or multiple teams. By doing this, it improve productivity quality.

Formal or informal:-

The formal group is the deliberate and systematic grouping of people in an organization so that organizational goals are better achieved. It means that the total no. of people working in this business is divided into smaller groups and each group is responsible for fulfilling a task which would ultimately contribute to fulfilling the organization's goal. This increases the efficiency of the organization.

Roles of individual in a group:-

Makes sure that job is done by given time limits

They keep in mind the group works and the task

Makes sure that everyone knows what they are supposed to do.

Assists the ones who need help

Gives different suggestions

Ensures that everyone has understood and is able to pass the created information forward

Makes sure that everyone is able to do his/her tasks

Asks critical but constructive questions

Encourages everyone to do their best

Gives credit for good ideas or good jobs and also reward them if they have done well.

Invites shy or silent workers to contribute

Gets all the needed materials and tools and takes care of them

Organises the environment suitable for effective work and teamwork

2. 4 b Analysis

Structure helps to define the tasks and responsibilities, workers role and relationship and channel of communication that exist within an organisation but in the subway there is no proper system to maintain the group task. If the worker don't know how to do the job then they should give him proper training and there should be batch on his t-shirt that this worker is under the training.

Nobody understand the importance of the team structure and they miss use their job position as well as if anyone is not doing the proper job then instead of tell him the other workers always try to put him down that is the bigger thing happening in the subway.

2. 6 Leadership

2. 6 a Findings

A simple definition of leadership is that leadership is the art of motivating a group of people to act towards achieving a common goal. A leader is a

person who is the one in the group that possesses the leadership skills that makes others want to follow his direction and do the task.

The good leader always keep in mind that how he will manage all the things and he always use the specific plan for each task. He always prefers to the team to give their views that how we can achieve our target. He always try to do his best as well as comparing to other workers he always do the extra things and give the time to the employee because he know that the workers are the base of the organisation.

2. 6 b Analysis

The team leader always know the workers attitude and he working according to them but in subway restaurant the manager of the workers don't know what he has to do. He is not defining the task to his workers and instead of encourage then he always try to show them that he is the best.

The main thing he is not discussing the problems with the employees that what type of problems they are facing during the work time and if they are getting then he should try to solve them as good leader.

Thank you