Objective of kentucky fried chicken engineering essay

Objective of the Kentucky Fried Chicken (KFC) have two objectives are stated objective and implied objective. First objectives in the stated objective are product development. In this objective the KFC do the increase variety on menu, introduce desert menu and introduce buffet to restaurants. Second objectives from the stated objective is introduction on the Neighborhood Program with menu items target African Americans in major cities with the items of greens, macaroni and cheese, peach cobbler and red beans and rise. Besides that, menu items targeting Hispanics in major cities with the items of fried plantains, flan and tress leeches.

Others objectives is implementation on non-traditional units including the shopping mall food courts, universities, hospitals, airports, stadiums, amusement parks, office building and mobile units. After that, in this objectives want to increase profitability of KFC through the reduced overhead costs, increased efficiencies, improved customer service, cleaner restaurants, faster and friendlier service and continued high quality products. Also have to resolve franchise problems in the United States.

In implied objectives have four objectives. First objective is expansion of international operations to provide the increased percentage of overall sales growth and increased percentages of profit growth. Also want to increased expansion of franchises into Mexico. The next objective is expansion of franchise operation beyond Central America, continued promotion of healthier image through removal of the world “ fried” from the name and to improve menu selection of rotisserie.

Industry analysis is important to unusual for a firm in a troubled industry to perform well. The economic structure of an industry is not an accident. It is complexities are the result of long term social trends and economic forces. But its effects to the business manager are immediate because it determines the competitive rules and strategies to use. Five forces that are widely use to assess the structure of any industry. The five forces are the bargaining power of supplier, bargaining power of the buyers, threat of new entrants, threat of substitute and rivalry among competitors. The strength of the five forces determines the profit potential in an industry by influencing the price, costs and required investment of business it is the element of return on investment. Stronger forces are associated with a more challenging business environment.

In the first forces is bargaining power of suppliers that’s means any business requires inputs such as labor, parts, raw, materials and services. The cost of inputs can have a significant effect to company’s profitability. Whether the strength of suppliers represent a weak or string force thing on the amount or bargaining can exert and ultimately on how can influence the terms and conditions of transaction in their favor. Besides that’s, to reducing the bargaining power of suppliers are reduce inventory costs by providing just in time delivers, enhance the value of goods and services supplied use of information about customer needs and preferences and speed the adoption of new technologies.

Second forces is bargaining power of buyers that’s the power of buyers describe the effect that the customers have on the profitability of the business. The transaction between the seller and the buyer creates value for both parties. Buyers have more power when the industry has many small companies supplying the product and buyers are few and large. After that the customers have access to and are able to evaluate market information. To reducing the bargaining power of buyers are increasing their loyalty to the business through partnerships or loyalty programs, selling directly to customers, or increasing the inherent or perceived value of a product by adding features or banding.

The next forces of the industry are threat of new entrants that's means the new entrants is the possibility that new firms will enter the industry. New entrants bring a desire to gain market share and often have significant resources. Analyzing the threat of new entrants involves examining the barriers to entry and the expected reactions of existing firms to new competitors. These barriers protect the companies already in business by being a hurdle to those trying to enter the market. Entry barriers are unique for each industry and situation, and a change over time. The threat of new entrants is greatest when the processes are not protected by regulations or patents and competitors may be scared away when the learning curve is steep, competitors will be attracted to an industry where the production process is easily learned.

The threat of substitutes is forces of industry. Be aware that substitute products can come in many shape and size, and do not always come from traditional competitors. Products from one business can be replaced by products from another. Substitute products are those that can fulfill a similar need to the one product fills. Substitutes are a greater threat when the products does not offer any real benefit compared to other products. After that, it is easy for customers to switch. Means that's a grocer can easily switch from paper to plastic bags for its customers, but bottler may have to reconfigure its equipment and retains its workers if it switches from aluminum cans to plastic bottles. To reducing the threat of substitutes is using tactics such as staying closely in tune with customer preference and differentiating the product by branding.

The last forces are rivalry among competitors. Competition is the foundation of the free enterprise system yet with small business even a little competition goes a long way. Because company in an industry is mutually dependent, actions by one company usually invite competitive retaliation. Rivalry among competitors is often the strongest of the five competitive forces, but can vary widely among industries. If the competitive force is weak, companies may be able to raise prices, provide fewer products for the price, and earn more profits. The most intense rivalries occur when one firm or a small number of firms have incentive to try and become the market leader or when the market is growing slowly or shrinking. To reducing the threat of rivals is employing a variety of tactics. To minimize price competition, distinguish the products from the competitors by innovating or improving features.

WHAT IS KFC

KFC Corporation founded and also known as Kentucky Fried Chicken is a chain of fast food restaurants based in Louisville, Kentucky. KFC has been a brand and operating segment, called a " concept", of Yum! Brands since 1997 when that company was spun off from PepsiCo as Tricon Global Restaurants Inc. The company was founded as Kentucky Fried Chicken by

Colonel Harland Sanders in 1952, through the idea of KFC's fried chicken actually goes back to 1930. The company adopted the abbreviated form of its name in 1991. Starting in April 2007, the company began using its original name, Kentucky Fried Chicken, fir its signage, packaging and advertisement in the United State as part of a new corporate rebranding program, newer and remodeled restaurants will have the new logo and name while older stores will continue to use the 1980s signage.

Since its inception, KFC has evolved through several different organizational changes. These changes were brought about due to the changes of ownership that followed since Colonel Sanders first sold KFC in 1964. In 1964, KFC was sold a small group of inventors that eventually took it public. Heublein, Inc, purchased KFC in 1971 and was highly involved in the day to day operations. R. J. Reynolds then acquired Heublein in 1982. R. J. took a more laid back approach and allowed business as usual at KFC. Finally, in 1986, KFC was acquired by PepsiCo, which was trying to grow is quick serve restaurant segment. PepsiCo presently runs Taco Bell, Pizza Hut and KFC. The PepsiCo management style and corporate culture was significantly different from that of KFC.

By the end of 1994, KFC was operating 4 258 restaurants in 68 foreign countries. KFC is the largest chicken restaurant and the third largest quick service chain in the world. Due to market saturation in the United States, international expansion will be critical to increased profitability and growth. The companies of KFC have more than 36 000 locations around the world. The company is ranked number 239 on the Fortune 500 list, with revenues in excess on $11 billion in 2008. Every day, more than 12 million customers are served at KFC restaurants in 109 countries and territories around the world. The companies of KFC more than 15 000 units around the world.

SWOT ANALYSIS

SWOT analysis is a strategic planning method used to evaluate the strengths, weaknesses, opportunities and threats involved in a project or in a business venture. It involves specifying the objective of the business venture or project and identifying the internal and external factors that are favorable and unfavorable to achieving that objective. A SWOT analysis must first with defining a desired end state or objective. A SWOT analysis may be incorporated into the strategic planning model. Strategic Planning, including SWOT and SCAN analysis, has been the subject of much research.

After that, in SWOT analysis have the strengths, weaknesses, opportunities and threats. The strengths are attributes of the person or company that are helpful to achieving the objectives. The weaknesses are attributes of the person or company that are harmful to achieving the objectives. After that, the opportunities means external conditions that are helpful to achieving the objectives and the last is threats means that external conditions which could do damage to the objectives.

In the strength have the lack of secondary trading such as sukuk flexibility of the Syariah, Syariah Supervision, advantages of religious preposition, less use of money for speculative purpose, divine sources, Islamic rating agencies, morale and commitment to serve, huge amount of saving, innovative aspect, location wise and geographically, transparency, justice and fairness, according standards, quality of service, legal and regulatory framework and information system.

After that, the weaknesses have are lack of standardization, reverse engineering of conventional product, there are differences in theory and practice, lack of Islamic gedging mechanism, no fixed obligations, unresolved fiqh issue, small percentage of profit loss sharing product, lack of qualified personnel, time or season factors, disadvantages of proposition, divergence of Shariah opinion and lack of Shariah compliant investment avenue.

The opportunities have the technological advances, Islamic is a complete solution, the growth of socially responsible investing, faith based customer, large potential ahead in retail, corporate and investment banking, potential relating to sukuk, better customer relations, serving for all potential specific sectors, potential in fund management and provide innovative product.

The last is threats have the global financial crisis, economic uncertainty in global market, market demand, shortage of recourses, lack of sustainable financial backing, intense competition from the conventional institutions, paucity of 100% Syariah compliant solution, liquidity and monetary management, a lot legislation is required, lack of awareness and understanding of Islamic financial product and sophisticated conventional financial system.

CALCULATION

KFC

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3. 74

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3. 82

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156

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158

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4. 02

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159

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3. 94

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160

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4. 16

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4. 14

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162

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4. 04

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163

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3. 98

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164

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4. 04

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165

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3. 88

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166

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3. 8

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167

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3. 82

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3. 8

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171

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172

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