

Cheesecake factory: the competitive advantage critical thinking examples

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



The founders of the famous Cheesecake Factory include Evelyn, Oscar and their son David Overton. They have always ensured that the values that they strongly believed in when they incorporated the company are held and are a part to the company's culture to date. The main value being to a strong commitment to quality in the products they use and the materials that are used in the construction of the many branches that are located all over USA, the Middle East and in Latin America.

The strengths that have helped to ensure the company's continuity and expansion include; low rate of employee turnover has ensured that the employees love the job they do and mistakes are minimal. The employees are trained on how to handle their work stations, monthly audits are done and they adhere to the various government regulations (Parente, D. (2006)). They spend less in recruitment exercises and the good quality of foods is maintained. The various restaurants are maintained in best conditions produce the best and free from the several infectious diseases and therefore the restaurants are loved by customers, therefore this keeps them coming back for more. The various varieties of Desserts and the Dishes that are prepared are mouthwatering and are a real treat to the eyes and therefore ensure the constant inflow of customers to the restaurants. The variety ensures that the customer is able to sample from the wide selection of dishes on display without getting bored and also get to recommend the options to friends and family.

A strong management team ensures constant control in the functioning of the company and that the employees do not slack off from their duties. The team helps to maintain a co-operative, motivated, directed, organized and a

functional team that helps to maximize the profits of the company (Smeltzer, (2002). The company has ensured that there are minimal litigations against the restaurants. This has ensured the brand name is strong and represents the restaurants in the various locations with respect. This has made expansion processes easier as association with the brand makes the restaurants to be liked by the customers in the various locations. The locations that the restaurants are located in are prime areas and this comes in handy in helping to attract the customers to the restaurants. The company's involvement in gift card donations, feeding the hungry and malnourished people in America and its involvement in charitable organizations goes a long way in marketing the company.

Opportunities that are usually available that ensure the constant profits to the company. The company ability to ensure that dividend ratios that they give are constant they have helped to ensure a happy shareholder of the company (Parente, D. (2006). This in return is a great marketing strategy as a happy owner the more the prosperity of the company. The fact that the stock is greatly undervalued in the sector works as a great factor in the long term success of the company. The company ability to easily expand to the international market works as a great advantage for the company. Mainly with the help of its strong brand name the restaurants are easily accepted by the customers living in its new locations and this works to the advantage of the company. The strong international presence in turn means maximization of profits of the shareholders which is the main goal of establishing a company.

Some of the weaknesses of the Cheesecake Factory include; the company

strong dependence on the purchase of dairy products which are highly perishable. The dairy products are needed by the company on a constant supply to meet production costs and a shortage in supply could cause huge losses for the company (Noe, R. A. (2010). The products need constant and maximum care in the storage process as they could easily go bad which is an extra cost for the company. The prevailing weather has effects in the storage process of the products and therefore the need for constant adjustments which is an expensive process. The weather moreover, has an effect in the feeding habits of the customers as they tend to change with the changing seasons. The unstable weather due to the various climate changes makes the process of projecting the weather change hard and costly. The many wait staff that are allocated positions in the bottom line of management are expensive to maintain. This is so especially when it is a bad day and not so many customers need service therefore, making them lazy around without so much work to do (Dunne, P. M., (2008). The staffs need to be paid at the end of the day none withstanding whether they did any work during the day. It is so hard to predict the number of wait staff that you need because you cannot predict the number of customers that you anticipate each day.

The threats that affect the strong continuity of the factory include that; they are not selling so much of the healthy foods. As the name itself suggests most of the foods sold have cheese in them or are a byproduct of cheese. They sell burgers, pasta, salads, seafood's, desserts, appetizers, over 40 varieties of cheesecakes, steaks, pizza and chicken and these are known to add weight to those who eat them on a constant basis. The consumer tastes are constantly changing and some going the total vegetarian way, which

includes no dairy product in their meals works against the factory's success. Since, most customers nowadays are working to reduce their weight and maintain healthy diet to avoid diseases such as cancer does not work well for the company (Parente, D. (2006). Completion that comes from the variety of companies that are setting base in locations near the places the branches are located is a big threat. Many other brands have established themselves strongly too and this eats into their profits ratios making them work harder to maintain the high profit levels.

The company can use the strong management team to jog up ideas that shall help in cutting down the high number of wait staff that cut greatly in the bottom line. They can come up with ways such as they ensure that the staffs they employ are endowed with other skills that come in handy when they are not needed in their various posts (Smeltzer, (2002). They could also employ temporary wait staff that they can lay off when work is down and rehire during the peak seasons. This could work in cutting the operating costs in the bottom line as they would be busy at all times and are constantly working to profit the company. The employees end feeling useful in the functioning the company and as an important part of the company and this in turn leads to profit maximization.

References

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