Au bon pain case study

Business

French Bakery chain restaurant that competes with other fast food restaurants. They would like to go from a " Cycle of Failure" to differentiating themselves from their competitors by improving their customer experience.

Alignment: Au Bon Pain wanted to differentiate themselves from other fast food chains by increasing the customer experience so that there would be more repeat customers and a consistent income stream. This meant improving relationships with customers which would increase if they had positive experiences and name recognition by staff.

APP had to decrease turnover of staff and increase autonomy at local stores to create the experience that they wanted for their customers. They did this by creating the Partner/Manager Program, which created Partner Managers at stores who were more autonomous in the day-to-day decision-making, and in turn, shared in profits. The program meant that Partner Managers now shared in 35% of the profits, Assistants shared in 15% of the profits, which was a significant increase in the reward/compensation structure at the company.

By changing the reward structure, PM and Assistant Managers took on more responsibility for their individual tore which changed their role to include things like ordering, staffing, and store aesthetics.

During the trial of the Partner/Manager program, the two stores that tolerated to participate both had managers from different backgrounds who were ' ere driven, independent, and creative. APP central management hoped that a program like the Partner/Manager Program would help them to recruit more staff that espoused these characteristics, which they viewed as vital to their success and growth.

Application: APP changed the reward structure to increase productivity. This is insistent with the Expectancy Theory in which employees fugue in Expectancy (the belief that effort will lead to results, in this case increased compensation), Instrumentality (the belief that a desired outcome will come from performance, in this case increased store profits will lead to increased personal compensation), and ' alliance (the outcome, in this case increased compensation).

The effort of the PM and Assistant Managers increased because their expectation of compensation was directly related to the profits of the store, which meant that the desired outcome of the company and employees were aligned and profits increased. The profit-sharing compensation method used by APP is similar to the method that Whole Foods uses.

Ere difference is that APP only involves the Partner/Manager and Assistant Manager in profit sharing while Whole Foods shares profits with all employees through their ' Shanghaiing" Program.

While at APP the Partner/Manager Program increases the dedication, productivity, and hopefully decreases turnover of those involved in profit-sharing, it does not do anything for the hourly employees who have a high turnover rate and are the ones that actually nave the direct customer interaction at the sisters, cleaning the stores, and making the food. This could lead to problems for APP since the hourly employees are directly related to the consumer experience that the APP is trying to improve, and this program does not address them.

Exhibit: Roles: With the introduction of the Partner-Manager Program, Au Bon Pain looked to transform the roles of District Manager, create a Partner Manager and Assistant Manager who shared in the profits, and increase autonomy in each store. In the old system, the District Managers micromanaged their stores, but in the new system they Nerve given more stores and had to focus on the big