

Improving business through operations management

[Business](#), [Management](#)



Upstairs Restaurant Operational Management in Cambridge Upstairs restaurant founded at Harvard square has been hosting very important people for dinner's ranging from well-known singers and actors to famous politicians among others for the past thirty years. The branch closed officially closed its doors forever at the end of the year 2013. The restaurant had three floors on the building comprising of a bar, dinner and lunch and breakfast arrangement. It also hosted hundreds of wedding parties (Koch, Herman, and Garrett 43). This was a decision taken by the owners Deborah Hughes and Mary Catherine Deibel during the eve party on December 31st. According to one of the owners, they pointed three major for the reasons for closure of restaurants. Firstly, Deibel said the property they lost through the kitchen stalled them back hence considering the closure. Secondly, they were facing a lot of and stiff competition locally from other restaurants around Cambridge offering the same services for example nearby restaurants like Oronico restaurant, Charlie's kitchen and the red house restaurant. Thirdly, they said they decided to close up the restaurant to allow them pursue other opportunities. Lastly, the owners of the building had sold the building they operated and it forced them to vacate.

Causes of failure of restaurant business

There are major five business failures experienced by restaurants in America include:

Lack of keeping up with market trends: Lack of doing periodic research into projected future and currents helps in staying a step ahead of competitors.

Insufficient capital: limited capital has a negative effect on the longevity of the restaurant. Owners should keep enough capital so that in cases of a loss

and increased costs they can be indemnified back to normal position (Koch, Herman, and Garrett 11).

Lack of health care covers to employees: Restaurant owners should consider health care programs so that they comply with the law. This helps or reduces costs when loss occurs like fire experienced in upstairs restaurant.

Other challenges facing the industry of restaurants include ineffective management of inventory and poor pricing of menu and lastly, lack of knowledge of having the right human resource.

Business operational management determines the life span, profitability and daily expenditure of the business (Koch, Herman, and Garrett 232). As we have seen above a restaurant should identify certain common challenges before starting or when during operation of the business for example competition which is obvious.

Work Cited

Koch, Herman, and Sam Garrett. The Dinner. , 2012. Internet resource.