

# Create a problem statement



Create a Problem Statement Management: MGT/521 Ramon B Solabi Dr.

Vellore Sunder 12/28/09 Create A Problem Statement. Kudler Fine Foods is a gourmet store that was established in 1998 for those savvy shoppers who are searching for the finest meats, produce, cheeses and wine in the southern part of California.

It was established in order to fulfill the vision of Kathy Kudler who had a passion for gourmet foods but found out that her particular neighborhood does not have a wide varieties of products to choose from. The Store was opened to provide a one-stop shopping experience with varieties and reasonable prices. Kudler Fine Foods was a success from inception, this is so because Kathy interacts with most of the customers and has a very good rapport with them and as a result, the store enjoys a lot of repeat customers. More so, the store provides for the community what they actually want in the stores and for those products that the store does not carry, it is specially order for their customers. These reasons couple with the fact that the location of the stores is in an economic region where customers can afford to pay for ??? gourmet prices??? makes the stores a success. Therefore the success of the La Jolla store has made it possible for more expansion into the in-land of the area with two more stores. The Kudler Fine Foods do have some stakeholders that are recognized who are both external and internal and do have effect on the organization.

The following are those considered. The staff: they are the clerks and the stockers that take care of the stores and attend to customers. Customers: They cherish their customers very well as clerks and staffs are encouraged to pay extra attention to the customer. Make special orders for the customers

that are in need of products that the store does not carry. Wholesale Suppliers: They have to be recognized as they are those that supply the stores with products and if there is a breakdown of supplies from any of the Wholesale Suppliers, sales will be affected at any of the stores and this can affect cash flow with business. Banks: As the stores continue to grow, it is important for the stores to maintain good relationship with the banks because they do come in handy in helping the stores with credit so they can continue to have more varieties at the stores. Katy Kudler: She is a very important piece of the organization.

She is the sole owner and the overall manager. She hires and fires, orders all products by herself. This is dangerous for the stores because if anything should happen to Katy, this may cripple the business as nobody is trained to step into her role. However there are some general and specific problems facing Kudler Fine Foods. Even though it has generated enough cash flow to stay well above average in the first store, the other two are somewhat struggling. The main general problem is that Kudler Fine foods is catered to a target set of customers that are savvy with gourmet products and foods that are mainly perishable. There has to be continuous recycling of products off the shelves.

Approximately 12% of their perishable goods are rotated out of inventory every two or three days. If this continues, it is a possibility they run out of business. The sole owner has been the main manager that runs the stores by herself as she does all the buying, ordering and tracking of all the products, this leaves room for issues and problems if she is unavoidably unable to do all this at any point in time since she has not trained any other staff how to

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do this. Kathy needs to learn how to delegate some of her responsibilities to the store managers so that she can have time to do some other stuff. Kudler Fine foods is restricted to the southern part of California and has not thought of taking on partnership or other investors, this can have an adverse effect on the business if the economy declines and affect her business in California she can make a business move to other parts of the Country. Kudler Fine Foods deals mainly in perishable goods and this can be subjected to the weather.

If there is inclement of weather and crops are affected, then supplies of food products to the stores might be affected and this can reduce sales and hence reduce turnover. Kudler Foods need to expand the type of products they put on their shelves. The Issues with Kudler Fine Foods is mostly due to the fact that Kathy refused to let her passion outweighs the reality. Since Kudler Fine Food is what she started due to her passion, she has failed to realize that she needs to let go that passion and employ more people to help run the affairs of the Stores so there can be more growth and expansion. Kathy needs to call for investors, allow shares to be raised by the Stores so more money can be raised for expansion, and diversify of products for future growth.

References: Kudler Fine Foods