

Case study about mcdonald's

Business



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In addition to its traditional rivals? Burger King, Wend's, and Taco Bell? the firm encountered new challenges. Sonic and Rally's competed using a back-to-basics approach of quickly serving up burgers, just burgers, for time-pressed consumers. On the higher end, Olive Garden and Chili's had become potent competitors in the quick service field, taking dollars away from McDonald's, which was firmly entrenched in the fast-food arena and hadn't done anything with its dinner menus to accommodate families looking for a more upscale dining experience.

McDonald's sells various fast food items and soft drinks including, burgers, chicken, salads, fries, and ice cream. Many McDonald's restaurants have included a playground for children and advertising geared toward children, and some have been redesigned in a more 'natural' style, with a particular emphasis on comfort: introducing lounge areas and fireplaces, and eliminating hard plastic chairs and tables. Each McDonald's restaurant is operated by a franchisee, an affiliate, or the corporation itself.

The corporations' revenues come from the rent, royalties and fees paid by the franchisees, as well as sales in company-operated restaurants.

McDonald's revenues grew 27% over the three years ending in 2007 to \$22.8 billion, and 9% growth in operating income to \$3.

9 billion. While these competitive wars were being fought, McDonald's was gathering flak from environmentalists who decried all the litter and solid waste its restaurants generated each day.

To counter some of the criticism, McDonald's partnered with the Environmental Defense Fund (EDF) to explore new ways to make its

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operations more friendly for the environment. HISTORY The business began in 1940, with a restaurant opened by brothers Dick and Mac McDonald In San Bernardino, calculator. I Nell Introduction AT ten " Seepage service System" in 1948 established the principles of the modern fast-food restaurant. The original mascot of McDonald's was a man with a chef's hat on top of a hamburger shaped head whose name was " Speeded.

Speeded was eventually replaced with Ronald McDonald in 1963. The present corporation dates its founding to the opening of a franchised restaurant by Ray Crock, in Des Plainness, Illinois on April 15, 1955 , the ninth McDonald's restaurant overall. Crock later purchased the McDonald brothers' equity in the company and led its worldwide expansion and the company became sites on the public stock markets in 1965. With the expansion of McDonald's into many international markets, the company has become a symbol of globalization and the spread of the American way of life.

Its prominence has also made it a frequent topic of public debates about obesity, corporate ethics and consumer responsibility. They did away with car-hops in favor of self-service at the counter.

They ditched their 25-item barbecue menu in favor of a limited menu of just nine items: hamburger, cheeseburger, three soft-drink flavors, milk, coffee, potato chips, and ii, with French fries and milkshakes added soon after they resumed operations. They re-engineered their stainless steel kitchen for mass production and speed with assembly-line procedures.

And they slashed the price of their hamburger from a competitive 30 cents to just 15 cents. The McDonald brothers actually designed the assembly line <https://assignbuster.com/case-study-about-mcdonalds/>

kitchen – twice as large as their original – by drawing an exact chalk diagram on their tennis court. They were able to place the equipment most efficiently after studying their crew members as they walked through their food preparation tepees.

Occasional rain bursts washed out the chalk, prompting them to redraw and refine their design.

But the brothers – successful beyond their dreams in San Bernardino – were barely tapping the franchising potential of the business concept they had pioneered. For as little as a thousand dollars, franchisees would receive the McDonald's name, a basic description of their Speedy Service System, and the services of Art Bender, their original counterman at the new restaurant, for a week or two to get them started. But then, in 1954, a milkshake machine salesman named Ray Crock saw the McDonald's operation first-hand.

The fast food industry was about to take off. VISION To be the best and leading a fast food provider around the globe.

MISSION McDonald's brand mission is to be our customers' favorite place and way to eat, and improve our operations to provide the most delicious fast food that meet our customers' expectations. VALUES Our values summarized in “ Q. S. C. & V. “.

Provide good quality, services to customer. Have a cleanliness environment when customer enjoys their meal. The value of food product makes every customer is smiling. The Threat of Entrants

Large established companies with strong brand identities such as McDonald's, BBC, YON, and WENT do make it more difficult to enter and succeed within the marketplace; new entrants find that they are faced with price competition from existing chain restaurants. Bargaining Power of Buyers Low bargaining power of buyers. Bargaining power of suppliers Bargaining power of suppliers within the fast food industry would be relatively small, unless the main ingredient of the product is not readily available.

Threat of Substitutes This could range from a competitive fast food restaurant to family restaurant to a mom cooked meal.

Other concerns are a newfound emphasis on healthier eating. Most of McDonald's most popular fare probably in some small way contributes to the increasing incidence of cancer, heart disease, and diabetes among the population. But I feel the key threat to McDonald's continued success is its very ubiquity. Because McDonald's are everywhere, the dining experience is never special.

And as Baby Boomers age and become more affluent, it is likely that they will leave behind their fast-food ways, if only to step up to moderately priced restaurants like Olive Garden, Bangles, Ana Pizzeria, etc.

These chains have the added advantage of serving higher-margin alcoholic drinks. McDonald's, meanwhile, has to continually battle Burger King and Wendy, which leads to an erosion of margins for everyone. Even alliances with toy manufacturers, while popular with consumers, do little for the

bottom line because the cost to run these promotions can be quite expensive. PROBLEMS 1.

NUTRITION One of the most fundamental and enjoyable aspects of our day-to-day lives is the eating of food and the circumstances in which it is eaten.

For most people the historical practice has generally been to eat the healthiest possible food (bearing in mind constraints of time and poverty), usually cooked on site and then eaten communally – either in a family or home setting, or with others whilst at work or in school canteens. But the situation is rapidly changing as the pace and nature of society shifts. An industrial/service infrastructure, including competing companies, increasingly dominates local neighborhoods and people's lives, undermining existing patterns of human interaction, whether amongst families, friends, neighbors or in the community in general.

This process is highly advanced in 'developed' countries and is fast spreading around the globe.

. ENVIRONMENT McDonald's contribution to this destruction is mainly through the effects of cattle ranching (as the world's foremost promoter of a beef-based diet and the largest user of beef), through the growing and transportation of cash crops, and through the production and disposal of thousands of tonnes of packaging materials. We share our planet with a myriad of creatures and plants – an interdependent yet fragile web of miraculous complexity and diversity.

People of all ages and walks of life enjoy reading about, observing and appreciating wildlife and the countryside. But, in the past 100 years the modern industrial system in general, and transnational corporations in particular, have ruthlessly exploited natural resources all around the world, inflicting damage on forests and other ecosystems, reducing biodiversity, causing land, sea and air pollution and even adversely affecting the global climate.

3.

EMPLOYMENT Work is a pillar of society without which almost nothing can be created, produced or done. Yet people have almost no say in what work gets done, in how it gets done or who it gets done by. The power is in the hands of employers and big business in general, who are only concerned with their profits. The industrial revolution has transformed the nature of work from being primarily home-based and land-based activity for local needs, into a factory, shop and office-based global capitalist economy.

This involves the exploitation of natural resources and the mass- production and distribution of a huge range of highly sophisticated products.

As corporations increasingly decide to develop manufacturing in poorer countries with lower wage and other costs, jobs in western countries are becoming more technology and service relevant. McDonald's real influence has been in establishing organizational systems of complete control at every stage from raw product to process factory, from worker to consumer - backed of course by incessant media hype.

Although they did not invent such processes, McDonald's has probably been the most successful trans-national food corporation at refining, co-ordination, standardizing and developing them into a total system. They've set up these pioneering practices in every country they've moved into, and many other companies have followed suit. As a result, they've significantly aided the spread of the western Junk food diet, as well as modern ethos of exploiting workers, children and animals.