

Measuring production essay



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Sales per square metre are a way of measuring production. Once more this method of measuring can only be used in an environment such as a restaurant because you would be looking at the sales where the customer sits. This allows you to see if there is a certain area of the business which is producing enough profit compared to another. For example, the back of a restaurant may not be producing enough profits as the front. This links into a disadvantage as the sales per square meter could be because of the location of the table or the size the table.

This is also not a fair way of comparing sales per square meter as some table could be closer together than others. So somewhere that is empty will obviously be producing no sales. A good way of measuring productivity is seeing how long stock lasts. If the stock is finishing quickly then this could be a sign of good productivity, however this could be seen as a disadvantage as it could show that not enough stock is being ordered. I think this way of measuring productivity is one best when it comes to a general view for all businesses. In a shop you can look at how quickly the stock finishes, in a factory you can see how quickly your raw materials finish.

This helps a company to see which stock intake works best; this would help a business increase its productivity as they keep using the stock intake that works best. Table turnover is measuring how many different people can sit at a specific table in a certain amount of time. There are two major advantages of measuring table turnover; the overall advantage being you are able to see how the business as a whole. If the table turnover is higher one day and lower the previous day this helps to show the company which is day is more productive and why.

Another advantage is that it allows you to observe the workers and see how productive they are in getting more people in and out. In some places workers are assigned to a certain amount of tables so this would allow you to see which table's turnover is the highest. You could find improvements by observing table turnover and seeing which table is most popular and then bring more tables like that. There are also disadvantages when it comes to table turnover the obvious being that this can only work for a business such as a restaurant.

Another disadvantage is that table sizes could vary so table turnover for a different sized table would be different and make the measurements unfair. Also some workers may have more tables to manage than others, so if their table turnover is less it could be because they have more tables to manage. Also the table turnover will differ compared to the amount that a certain group of people eat. For example one group of people may only have a two course meal and another group of people may have a three course meal. Average spend per customer is allows the business to see whether they get a lot of customers.

However, if somebody only wants a one course meal then the average would decrease. Personally I do not believe that this is an efficient way to measure productivity as you would not be able to be able to control outside factors. All of these are just examples of ways of measuring productivity; there are many more others ways for different types of businesses. Some of the ideas of measuring productivity may be effective for a restaurant like Nando's, but some may not be as effective. Firstly counting the count customers is a relevant way of measuring productivity for Nando's as it is a restaurant

which has an aim of getting as many customers as possible into the restaurant.

This is useful as it would allow Nando's to see whether or not they need to think of new strategies to bring in more customers. If Nando's used customer counting as a way of measuring productivity they could then it would allow them to see when more staff are needed when less staff are needed. If there is more staff at a busier time then you are more likely to also increase your table turnover. Nando's could also change their restaurant times, for example if they find that they get most of their customers near closing time then they could see if changing their closing time to later has a difference. Return on capital Employed (ROCE) would also be a good way for Nando's to measure productivity as it would give official figures which would allow Nando's to see whether the money they are putting in is right compared to the profit they are making.

If their ROCE is low then they can re-structure their spending to help improve their profit. Nando's do not currently do special offers so this would not be an efficient way to measure productivity. If Nando's decided to add some special offers to their menu then this could change productivity and become a new way to measure productivity. An example of this could be that there could be 'buy one meal and get the next one half price if you arrive before a certain time'. This time could apply to when there are not a lot of customers for example in the morning. This would increase productivity as times that usually don't have anyone could start bringing in customers.

Although, with special offers Nando's would have to ensure that they are still making profit and bringing in customers. Checking how much the workers produce would not be a good way of measuring productivity for Nando's or any restaurant as you cannot supply more than what is demanded as you would be wasting money and make less profit. When measuring how much a worker is producing under a certain time it is usually on a mass production line. Nando's produce their food based on roughly how much is ordered and ate everyday.

Another point is that many of the workers are usually serving customers so they are producing a service rather than a physical product. The Nando's we chose to visit in Bluewater has a division through the middle so the public can walk through so for this specific branch measuring sales per square meter could be slightly difficult but this does not mean that it would be as hard for all other Nando's branches. This could be useful if Nando's wanted to see which part of the restaurant is used the most of which part of the restaurant produces highest sales. As there are different sized tables, you may be able to fit only one table in a square meter whereas somewhere else you may be able to fit two tables in a square meter so sales would be affected depending on the amount of people sitting there. There is an advantage to this as you would be able to tell which tables have highest sales.

A useful way of measuring productivity for Nando's is to see how long stock lasts. This would allow Nando's to see if they are ordering too much because their stock is being wasted or if they are ordering too little as it is getting finished too quickly. This is a good way of measuring productivity because it

allows them to see how quickly their food is turning into a Nando's dish and being supplied to the customers, this allows them to also check the speed of the productivity to check that the stocks are not taking too long to get supplied to the customers. This would improve Nando's productivity in the long run as they would see which stock intake works best and work to that, this would also mean that stock is not being wasted and the food is being used and supplied in the best way possible. Table Turnover is also a good way of measuring productivity; this may not particularly be the best case scenario for Nando's.

As was mentioned there are two main advantages of table turnover; one being you can see how many different people sit at a table every day and the other being that it allows you to see how productive the workers are at getting people on and off the tables' quick as possible. In Nando's you would be able to measure how many different groups of people can sit at a table during a day, this would allow Nando's to see if they are getting enough people on and off the tables during one day. The disadvantage of this would be that in Nando's there are not workers that are assigned to a certain number of tables, they all go round checking all the tables so Table Turnover would be good to check the productivity of Nando's but not to check how productive the workers are in Nando's. For Nando's I also believe that there are other ways to measure productivity. One could be the speed of the task when they are set a task.

This would probably work best for Nando's workers that work in kitchen and at the till as would be able to see how long it takes them cook five dishes, for example. if it came to someone at the till you could measure how long it took

them to process five orders. Another way Nando's could measure their productivity is by counting how many complaints they receive over a week, the more complaints that are received means that costs for Nando's would rise as they may have to rein burst customers. There are also ways that productivity can be improved in Nando's. Personally, I believe that productivity in a restaurant is divided into two main sections; the food and the labour. So the two things which can be improved are the food (the product) and the workers (the service).

Restaurants are a business that has to provide a product and a service, both at the same time. One way in which productivity can be improved is if the staff were trained, I am aware that Nando's do on the job training when they appoint new staff so this is not something that would have much of an effect as it has already been put into place. If a worker is trained then they have the skills required to do the job faster and efficiently so in theory productivity should increase.