Process Management & Productivity

University

Student

Module 1 SLP Assignment

Operations Management for Manager

Instructor: Dr

Date: 28 July 2018

Background

T & T’s Restaurant is a food palace that has been in operation since the end of 2016, which is 1 ½ years ago. It is an urban eatery that is situated at the heart of Madison, Wisconsin. The owners have focused on the single outlet to ensure that they provide enough focus to this restaurant and earn its goodwill before venturing out into other branches. The restaurant is known for its breakfast options that are served from 6:30 a.m. to 11:00 a.m., as well as its food, remind the customers of their home or grandmother’s cooking. It is a restaurant that makes the reminiscing of old memories easier and happier. The restaurant has the capacity to hold 50 customers, which means that its function cannot exceed 50 due to the safety and regulatory law. In order to run this restaurant operation and serve its customers, the restaurant has employed three chefs with three sous chefs, eight waiters, and two cleaners. It also has assigned shift supervisor. The mission of the restaurant is “To maintain consistency with the provision of fresh food while graciously keeping our customers happy and entertained.” The restaurant’s customers are people with families as well as the single people in their young and old ages. The restaurant goes ahead to offer the customers games for every meal purchase of more than $10.

Productivity Concerns

The one area of concern for the productivity of the restaurant has to do with the labor workforce. In this case, when the labor workforce not trained well enough, will undoubtedly lead to the slowing down of the business operation. That means the customers might have to wait longer to be served, which could damage the goodwill of the restaurant and that they might not consider this restaurant again for the future visit. Other than this, the labor force usually faces a high turnover given that they find a better fit in other restaurants that are better in certain aspects. The three measures of productivity are; covered per labor hour, labor cost per labor hour and labor cost per cover (Zapoli, 2005). Employee productivity is the most effective in the case of the covers per labor hour. Here, covers mean the customer counts. This applies individually to each job category. The wage differentials that are present between jobs can be cleared when labor cost per labor hour is calculated. This helps bring the accuracy in the amount of money each person is paid.

1. Covers per labor hour = Total Covers/Total labor hours

Consideration here is made for 3000 covers in total with a heart of house (HOH) labor of 1900 total hours, therefore:

Covers per labor hour = 3000/1900 = 1.58 covers per labor hour

1. Labor cost per labor hour = Total labor cost/Total labor hours

The consideration here is made for 40 labor hours per week with a labor cost of $31,200, therefore:

Labor cost per labor hour = 31200/ (40\*52weeks) = $15

1. Labor cost per cover = Direct labor hourly rate\*no. of direct labor hours

Consideration is made for $15 as the direct labor hourly rate and 5 hours used to complete a single unit, therefore:

Labor cost per cover = 15\*5 = $75

Key Processes

The key processes in the restaurant operation are several. These are checking the issues that might have arisen the previous day, the things that went according to plan, what went wrong, check the orders that were made the previous evening and in what amounts, preparing a list of the food to be prepared that day and holding a meeting with the staff. After the meeting, the waiters are briefed on the food to be provided and what it exactly entails as breakfast is prepared. Waiters are the front line of the restaurants, and they must have good knowledge of the food listed in the restaurant and describe its customers to help in the decision making of ordering food. The supplies then arrive at the restaurant, and food preparation begins. Lunch is served and then prepare for dinner kicks off. The waiters are again briefed on the food to be set at dinner; dinner is prepared and is then served to waiting customers. After the customers have left, the numbers are reconciled, and then orders are made for delivery the following morning. These processes interact with each other since each essential process cannot do without the other. The processes make it possible to meet the needs of the restaurant operation as well as making possible to meet the needs of the customers who visit the restaurant (Organization for Economic Co-operation and Development., & Federal Statistical Office, 2009).

Process Improvement

The fundamental processes could be significantly improved by adopting a technology be integrated into the systems of the restaurant operation. This means that the accounts ought to be conducted through the use of the software. This allows for any orders made together with the cost per order to reflect in the system and then have the system conduct calculations at each juncture to ensure that every coin is accounted to. Moreover, it is essential to ensure that any food ordered from the kitchen automatically goes into the system when the chef has his own details held on to. This means that at the end of the day, the chef’s details will be counter-checked with the details in the system. This is a right way of avoiding restaurant theft and a waste of food. At the same time, it is essential to keep the employees happy by meeting their needs by paying them on time for the labor work they provided. The other importance of the technological upgrade is so that employee payrolls can be processed efficiently, taxes paid on time to governing authorities, present revenue generation including profit or loss, and also supplies orders can be sent out automatically by the system once the orders have reduced to certain threshold quantity. Which means employees will always have to update the system once supplies are received and acquired from the storage room to the kitchen. This helps increase efficiency, transparency, accountability, and full detail of business operation (Kotter, 2012).

Problems in Process Change

Changing the processes is an enormous obstacle, that is the critical processes which may arise several issues. One issue would be that the employees would feel like the technological changes would be a replacement for them. This would be met with rebellion or loss of confidence in its employers. In this case, it is essential to ensure that the employees understand the amount of efficiency that increases with the upgrade of technology in the restaurant operation. Employers must demonstrate to them how it could make their workload efficiently, multi-tasked, and could focus on genuine issues in the operation of the restaurant. The other problem is employee turnover because of the changes or other circumstances. To help deal with this, it is essential to notify the employees of the changes that will be coming early enough so that they are prepared and are not caught off-guard. Finally, the other issue is the lack of proper integration with the original processes which might be an issue for how the restaurant is run. This might bring a lot of confusion and frustration. It is essential to have these processes tested and employees trained on it before integration into the restaurant.

**References**

Kotter, J. P. (2012). *Leading Change* (1R ed.). Boston, MA.: Harvard Business School Press.

Organisation for Economic Co-operation and Development., & Federal Statistical Office. (2009). *Productivity Measurement and Analysis*. Paris: OECD Publishing.

Zapoli, J. R. (2005). *How to succeed in the restaurant business: Crunching numbers-- now that's the bottom line!*. New York: iUniverse.