

DIGITAL TRANSFORMATION FOR RESTAURANT OPERATIONS: A CASE STUDY OF HAMBURGER PLUS "CREATIVE" SYSTEM

Marie Rose Beriso-Sotto¹

PEDRO PECUNDO TURIANO²

¹ Master in Business Management (MBM), Camarines Sur Polytechnic Colleges (CSPC), San Miguel, Nabua, Camarines Sur, Philippines

mrsotto@cspc.edu.ph

pturiano@cspc.edu.ph

Corresponding Author: Marie Rose Beriso-Sotto

ABSTRACT

Due to Hamburger Plus' global operations, it is planning to spend \$1.5B over the next 5 years to make its operations digitally mastered through a system called Creative. This move is prompted by a rapid decline in sales and a bulk of customer complaints here and there, from one branch to another. Creative is an ambitious multi-million-dollar project which would allow Hamburger Plus management to monitor and actively see the physical count of the products produced at any of its stores at any time of the day. Furthermore, the management can see if customers are being served at the desired time. It is believed that creativity would bring Hamburger Plus back to what is known for the fastest, most consistent service in the industry.

Despite of its very promising outcomes, there are members of the management team who are not in favors of Creative primarily because of its cost, which would mean 200% reduction in stockholder's shares plus closing at least 300 of its outlets within the next 5 years. These conditions are needed before Creative does its work and for the company to recoup its investments. Many of the stockholders believe that the upcoming technology is not the cause of customers being sent away during lunch break but because of the sluggish customer service provided by the service crew.

A member pointed out that the faltering customer service is due to a general slowdown in cooking burgers. It is also added that customers are so irritated by the long lines and long periods of waiting time before burgers are served. One stockholder said that Hamburger Plus hasn't introduced another hit product in the likes of burger patty strips since 1985. Despite the objections, the CEO is still very optimistic about investing in Creative. He believes that it would give the executives the opportunity to monitor operations and ensure product consistency and service that provides customer satisfaction.

KEYWORDS: Case Analysis; Management; Business

DEFINING THE PROBLEM OR OPPORTUNITY, COMPANIES MISSION, GOALS AND STRATEGIES

Main problem:

To come up with a decision which would bring back the company to what is known as the fastest and most consistent service in the industry and ultimately gain more profit and recover its past losses.

Specific Problem:

Whether or not to undertake and make its operations digitally mastered through a system called Creative Project.

Causes of the Problem:

- Faltering customer service which is due largely to slow flipping of burgers or sluggish cooking of burgers.
- Customers are so irritated by the long lines and long periods of waiting time before burgers are served.
- Inability to introduce another hit product in the likes of burger patty strips in 1985. Its Signature burger, the ever-famous Jumbo Hamburger, is already 35 years old.

SWOT (STRENGTH, WEAKNESSES, OPPORTUNITIES AND THREAT) ANALYSIS**STRENGTHS**

- Hamburger Plus has a strong brand name.
- It is known for its signature burgers.
- Hamburger Plus is known worldwide.
- Allows customers to tailor their orders to their preferences.
- Positioned in a high traffic area for maximum visibility and accessibility.

WEAKNESSES

- The company has not introduced another hit product for so many years since their ever-famous Jumbo Hamburger is already 35 years old.
- Slow Flipping of burgers.
- Deteriorating quality of service.
- Competing with other fast food chains offering similar services or products at lower prices.
- Vulnerable to shift in consumer preferences towards healthier options.

OPPORTUNITIES

- Customers long for new products.
- Hamburger plus is known worldwide.
- Smooth global operations.
- Expanding online ordering and delivery services to reach a wider customer base.
- Exploring opportunities to enter new markets and regions.

THREATS

- Sluggish customer service provided by the service crew.
- Many fast-food chains are being introduced in the market.
- Creative's cost, however, would mean a 200% reduction in stockholders' share plus closing at least 300 of its outlets within the next 5 years.
- Facing competition from established fast food chains as well as local eateries.
- May shift to healthier and sustainable food options challenges this food chain traditional offerings.

ANALYSIS OF SOLUTION:

Several advantages taking into consideration the solutions to known problems may be considered, such as investment in a creative project that allows the same company to monitor and actively see how many burgers, fries, chicken, and other products are being consumed at any of its stores at any time of the day. Management can monitor if a customer at a particular outlet is being served in the desired number of minutes.

Nevertheless, the digital introduction of the so-called Creative Project is an expensive project. It requires a higher cost and may be considered an indirect solution to faltering service quality. To insist on the implementation of the same may reveal the risk of some shareholders withdrawing their investment. Moreover, closing 300 outlets will likely result in further loss of income and the reduction or termination of employees.

Taking into consideration the traditional way of providing solutions to the main problem, this is occasionally experienced daily by some, if not all, of the branches worldwide. To name a few, faltering

customer service is largely due to slow flipping of burgers or sluggish cooking of burgers. Customers are so irritated by the long lines and long periods of waiting time before burgers are served. Inability to introduce another hit product, like burger patty strips, in 1985. Its signature burger, the ever-famous Jumbo Hamburger, is already 35 years old.

Evaluations of employee performance and inefficient employees would be subject to either termination or training. Develop and implement ways to improve service quality. This would apply to the company's total quality management. They may use quality tools such as the PDCA (Plan-Do-Check- Act by Dr. William Edwards Deming) to implement such a way to continuously improve. Evaluate the new system's service performance. This may apply to the use of survey questionnaires provided to customers to gather feedback and suggestions. After gaining back the sales and establishing their reputation as such, they can now launch a new product that will sooner increase their production and sales, whose aim will be no less than to attain customer satisfaction.

PLAN OF ACTION:

- Evaluate employee's performance.
- Inefficient employees would be subject to either termination or training.
- Develop and invest in new ways on how to improve service quality. This would apply to the company's total quality management. They may use quality tools such as PDCA (Plan-Do-Check-Act) in implementing such way to continuously improve.
- Evaluate the new system or service performance. This may apply to the use of survey questionnaires provided to customers in order to know their feedback and suggestions.

DISCUSSION/ CONCLUSION:

The Digitization of the system of the company is a welcome development. It will ease the burden of monitoring the sales, operation, products consumed, performance of the personnel to name a few. However, the stakeholders are not prepared to accept the system because it would sacrifice a substantial amount of the net margin of the company. The return of investment will be too far from returning to the hands of the stakeholders.

Nevertheless, a better alternative may be employed without sacrificing the substantial, if not massive withdrawal of several stakeholders by reason of some, if not all opposing views regarding the implementation of the digitization of the company's system known as the very ambitious multimillion Creative Project. First, we should develop new procedures for servicing customers. It will improve the accustomed way of servicing customers. A direct and efficient solution in solving the faltering service of Hamburger plus. Second, additional learning and harnessing employees' skill will also incur very minimal cost

Third, evaluate employee performance, inefficient employees would be subject to either termination or training. Develop and invest in new ways to improve service quality. This would apply to the company's total quality management. They may use quality tools such as the PDCA (Plan-Do-Check-Act by Dr. William Edwards Deming) in implementing such a way to continuously improve. Fourth, evaluate the new system's services performance. This applies to the use of survey questionnaires provided to customers to gather known feedback and suggestions. After gaining back and establishing their reputation as such, they can now launch a new product that will sooner increase their production, sales whose aim will be no less than to attain customer satisfaction.

ANALYSIS AND EVALUATION:

We opt to recommend and undertake an alternative course of action which is to develop new procedures of servicing customers rather than investing in creative projects. Upon weighing its benefits and cost it gives more advantage and requires a lesser cost. Hence, it is more efficient in addressing the company's problem regarding the reduction of customers due to service dissatisfaction. Furthermore, with the development of new procedures we can expect a remarkable change in the customary way of servicing customers. It will resolve issues such as long waiting queues and slow cooking of burgers.

The company can now attend to the demand of its customers. With all of these, Hamburger Plus can salvage its image as the ever known fastest and most consistent service in the industry.

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