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# Team Project final

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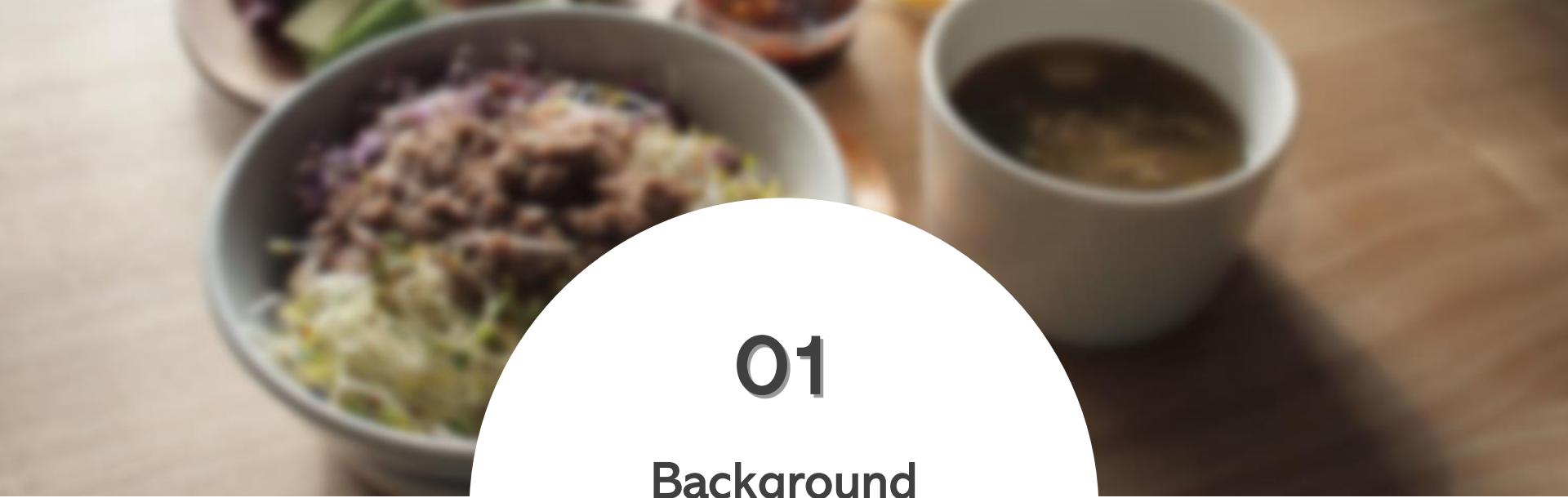
## Operations Management

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01

## Background

## Background



### HOW TO ORDER

Before you head to your local SUBWAY® restaurants, click through below to see how the pros do it!



- Difficult to select menu

24 menus  
6 breads  
9 vegetables  
2 cheeses  
17 sauces



- The choice is very wide
- if you are not familiar with the subway order, it is very difficult to choose.

# Background



## ➤ The waiting line is too long

- Customers choose variety of options on the spot
- One employee can only process one order per customer



Takes a lot of time!

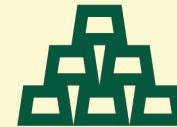


## Background

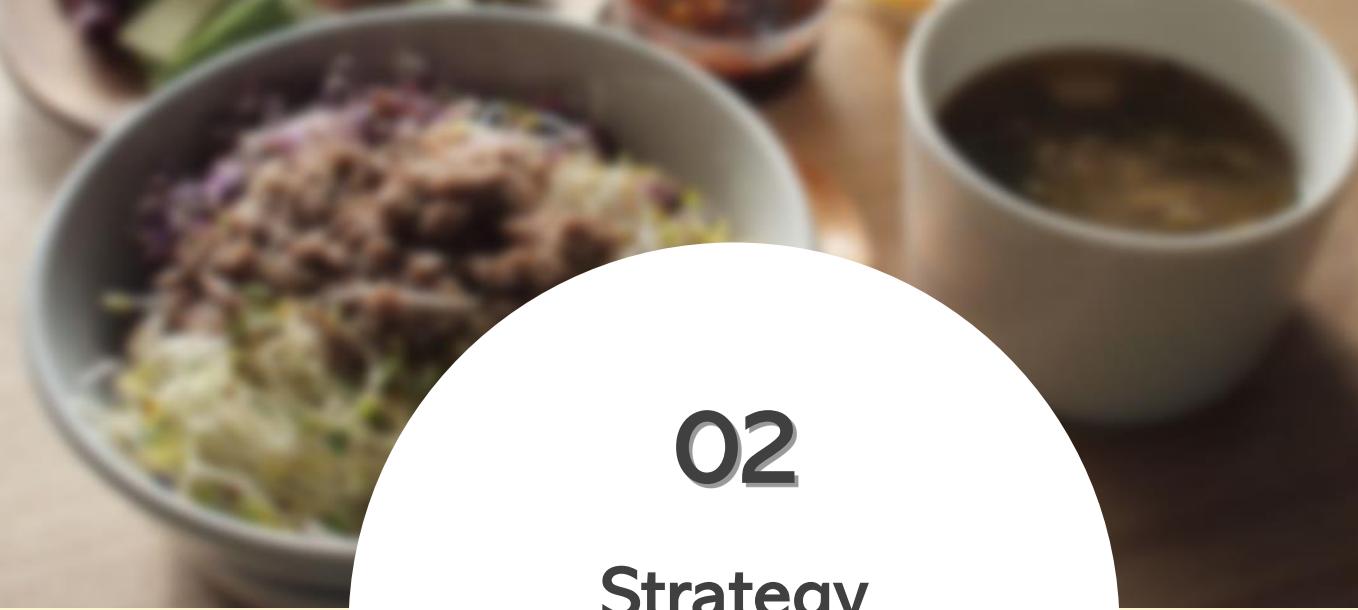


### ➤ Difficult to manage inventory

- Short shelf life
- Large number of menus



Difficult to manage inventories!



02

## Strategy



## Strategy



- **Transparent customer's own food**
  - Customers select materials for their sandwiches
  - Customers watch the process of making their sandwich from start to finish

### Strategy1

Making their own sandwich



*Highly Customized*

### Strategy2

Watching the process of making



*Increased Reliability*



## Strategy



### ➤ Differentiation from other fast food

- Different food manufacturing process depending on consumer's immediate order
- Different from traditional oily fast food, using vegetables and low-calorie foods
- Provide breakfast menu in cheap price with a large amount

#### Strategy3

Assemble to Order(ATO)



Fast food providing

#### Strategy4

Freshness, Healthy, Low Calorie



Good diet food

#### Strategy5

Provide breakfast menu





# 03

## SWOT Analysis



## SWOT Analysis

### Strength

- Various menu
- Healthy & Freshness
- Highly customized
- Low start up cost

### Weakness

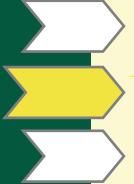
- Hard to order
- Hard to manage inventory
- Long waiting time
- Narrow customer target
- Lack of event

### Opportunity

- Delivery service
- Local food
- Interest in health
- Drive-thru

### Threatened

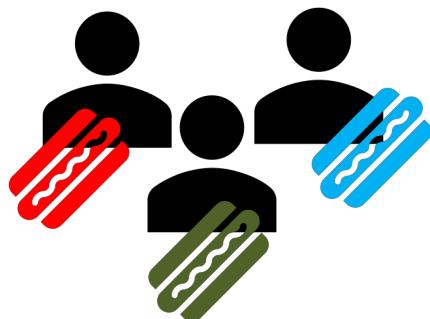
- Declining sales
- Market saturation of similar restaurants.
- Increasing minimum hourly wage.



## SWOT Analysis

### Strength

Every customer has their own sandwich



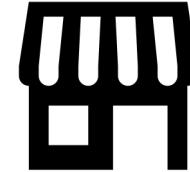
- ▶ Provide large various menu
- ▶ Perfectly suited to the taste of customers

Offer fresh vegetables



- ▶ Provide healthy fast food

Need small space(16.5 m<sup>2</sup>) to make chain



- ▶ Low start up cost (100 million won)



# SWOT Analysis



## Weakness

Every customer select materials for their sandwich



- ▶ Hard to order (high entry barriers)
- ▶ Hard to manage inventory  
(Hard to expect the demand)  
(Short shelf life)
- ▶ Long waiting time

Target young people  
(20~40)



- ▶ Narrow customer target

No menu in Subway



- ▶ No new menu launch events



# SWOT Analysis

## Opportunity

Changes in the way food is served



- ▶ Able to make drive-thru
- ▶ Able to make delivery service

Increasement in interest of health



- ▶ Reinforce Subway's strategy

Relating to local food marketing



- ▶ Reduce material cost & Increase the customer's reliability





## SWOT Analysis

### Threatened

Declining sales



► Subway's market sale is in declining

Market saturation of similar quick serve restaurants



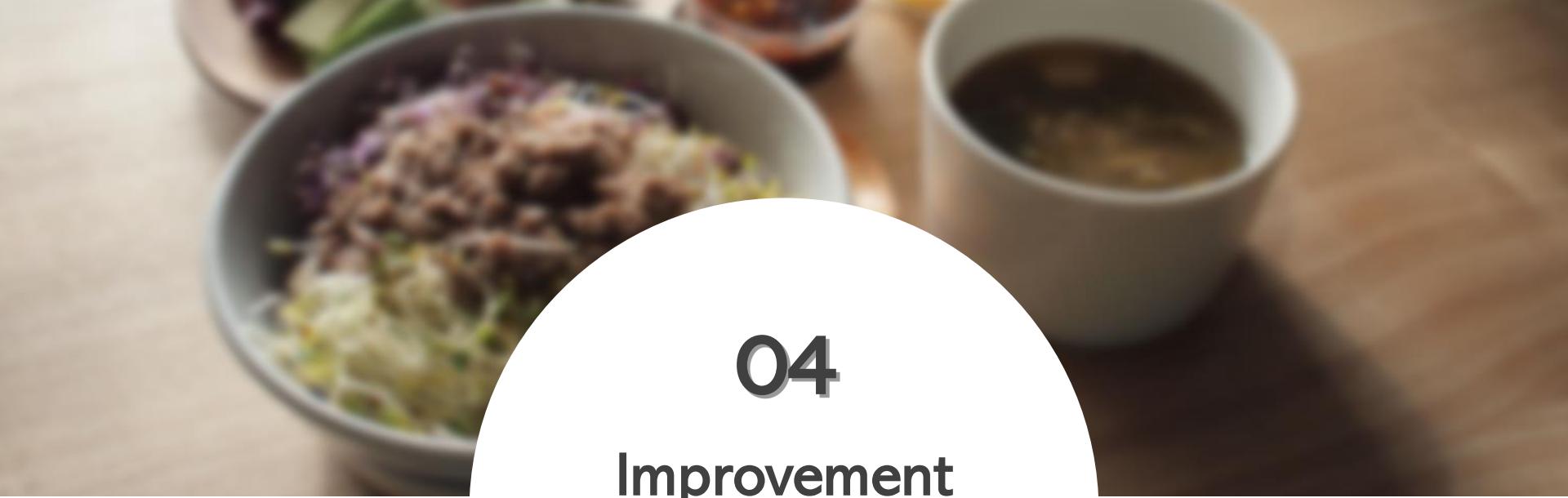
► The competitive market is rapidly appearing

Fast increasing minimum hourly wage



► Labor cost is in increasing





04

## Improvement Suggestions



## Improvement Suggestions

### ➤ Creating Basic Menu



Black Forest Ham



Cold Cut Combo



Chicken & Bacon  
Ranch Melt

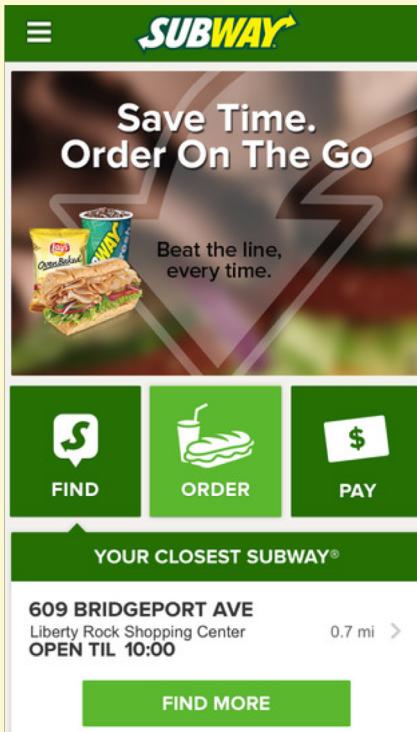
### Based on

- What people usually ordered
- Target age layer



## Improvement Suggestions

### ➤ Making pre-order system



1. User can use pre-order system using 'SUBWAY' app
2. App shows time to wait
3. App supports pre-pay system
4. User can order delivery system

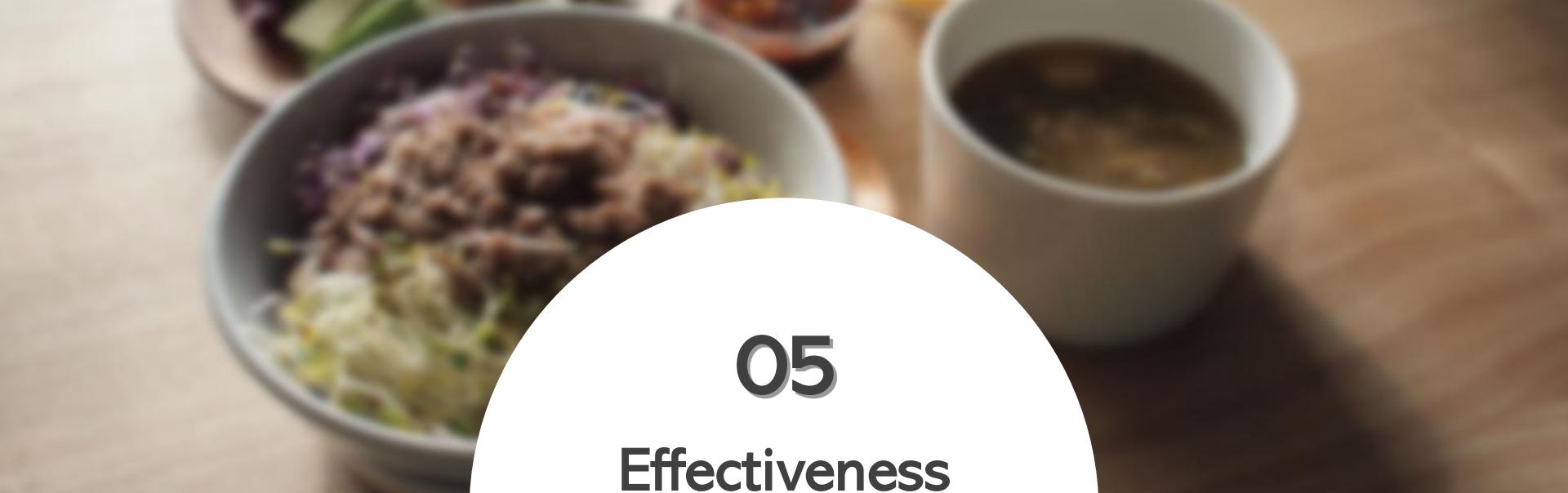


## Improvement Suggestions

- Using unmanned system in store



- To establish unmanned system, subway must select the number of unmanned system based on waiting time of customer.
- Customers can select all sandwich fillings through unmanned system and use payment system.



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## Effectiveness From Suggestions



## Effectiveness from Suggestions



### 1. Increasing turnover rate



- Through less waiting time, turnover rate of inventory is increasing. It improves freshness of sandwich

### 2. Improving inventory management



- Subway can expect inventory exhaustion more accurately through creating representative menu



## Effectiveness from Suggestions



### 3. Making easy to order



- Customers that do not familiar to ordering can order representative menu

### 4. More embracing various target layer in age



- Various age can enjoy subway menu, with representative menu based on age layer

### 5. Selling more sandwich



- Subway can provide service to more customers through less waiting time



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**Q & A**

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**Thank you**

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