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Executive Summary

Pita Pit is a leading fast-casual dining food restaurant chain in New Zealand. It has established itself with over 70 locally-owned stores by focusing on fresh, healthy, and customizable needs. Despite the success, Pita Pit faces significant challenges in maintaining consistent food quality, customer services and effective employment management. Comprehensive training programs ensure employees are well-equipped to deliver high-quality service consistently, while optimization techniques for staff scheduling ensure adequate labour supply during peak hours, enhancing operational efficiency.

By leveraging SPC, supply chain management, CRM, employee training, and advanced scheduling, Pita Pit can effectively address its challenges, ensuring it continues to deliver fresh, high-quality meals and excellent service, maintaining its leadership in New Zealand's fast-casual dining market.

Hence, identifying the critical problem and challenges faced by the restaurant and the suggestions for ultimate optimizations of their challenges are given in this assignment.

Introduction

Pita Pit, a famous health-oriented and fast-casual restaurant chain offering customizable pita bread sandwiches is a well-known restaurant over the globe. This famous restaurant was founded in 1995 in Canada. This business has been expanded to over 600 locations worldwide, with branches in New Zealand. Chis Henderson and Duane Dalton introduced this to New Zealand in 2007. This franchise was inspired by Henderson’s experience with Pita Pit in California. Henderson discovered Pita Pit when working as a ski instructor in Mammoth, California. He was impressed by its emphasis on fresh, healthy and customizable pita sandwiches. Daltonand Henderson recognized a gap in the New Zealand Market for such an offering, so they decided to bring the concept to New Zealand.

(Pita Pit International. (2023)) Henderson and Dalton’s venture quickly gained traction, where they appealed to all the health consicious Kiwis looking for much convenient and nutritious meal options. Starting their venture in Takapuna, Aukland, New Zealand, today there are over 70 Pita Pit locations across New Zealand, of which are locally owned and operated franchises. The main objective of these local ownership models is to ensure that each outlet maintains a strong connection with its community and adheres to the high standard of quality and services. The menu is centered on a vast and various types of pita sandwiches which are made with fresh, natural ingredients, sourced from local suppliers. (Pita Pit NZ. (2023)) The produce is delivered fresh each morning, ensuring that the customers receive high-quality meals free from artificial additives and preservatives. The menu offers various options for variety of deitery needs, including vegetarian, vegan and gluten-free choices, which broadens its appeal to a diverse customer base.

(Pita Pit NZ. (2023) Pita Pit places a strong emphasis on sustainability. The company strives to minimize its environmental impact by reducing plastic waste, using recyclable packaging and sourcing ingredients responsibly. Helping focusing on sustainability along with environmentally consious consumers and aligning with broader global trends towards ethical and eco-friendly business practices.

Business Framework

1.] Franchise Model ( Pita Pit International. (2023) Pita Pit works as a Franchise Model, in this model, each store is independently and locally owned. Such a Model has allowed Pita Pit in rapidly expanding and ensuring the fact that the local entrepreneurs can also tailor their stores so that the specific needs of their community can be met while sticking to the brand standards, ethics, and practices.

2.] Supply chain Management (Pita Pit International. (2023) The supply chain revolves around sourcing fresh, local ingredients. This management successfully ensures that the food served is of high quality and is fresh. This way, the food served and the inventory have less carbon footprint associated with the transportation and align with the commitment to sustainability commitment to sustainability.

3.] Marketing and Branding (Pita Pit International. (2023) The brand invests in targeted marketing campaigns highlighting Pita Pit’s unique selling points, mainly fresh service, locally sourced ingredients and sustainability. Majorly according to new generations, they use social media platforms and influencers to reach a broader audience.

4.] Innovation and Product Development (Pita Pit International. (2023) To stay competitive, Pita Pit continuously innovates its menu. This includes introducing new flavours, seasonal items, and limited-time offers. Product development is guided by consumer feedback and market trends, ensuring the menu remains appealing and relevant.

6.] Sustainability Initiatives ( Pita Pit International. (2023) Sustainability is a core aspect of Pita Pit's business model. Initiatives include using recyclable and compostable packaging, reducing food waste, and supporting sustainable agricultural practices. These efforts not only attract environmentally conscious customers but also reduce operational costs and environmental impact.

Challenges

1.] Inventory Fresh food delivery being the major component of Pita Pit restaurant, handling inventory is a bit of a task. It will lead either to overstocking or to less stocking. Overstocking leads to significant food waste which generally contradicts Pita Pit’s sustainability goals . Excess perishable goods spoil before they are used, this contributes to environmental waste and financial losses. This scenario not only undermines sustainability efforts but can also result in higher operational costs due to wasted inventory. The opposite scenario is, if the inventory taken is less, then it will affect the customer service, leading to a loss of many customers. Overstocking can tie up capital in unused inventory, which can be otherwise used in other stocks in the business. This basically leads to reduced cash flow and increased storage costs. On the other hand, understocking can result in inventory shortages. Frequent shortages can drive customers to competitors harming brand loyalty and sales. It also affects the kitchen operations, as staff may need to make adjustments or sometimes may be substitutions leading to a great affect on the EMPLOYEE MANAGEMENT.

2.] Supply Chain Issues Having a consistent supply of fresh ingredients is a complex challenge for Pita Pit, which is basically influenced by many factors like Environmental factors, logistical issues and supplier relations. In the environmental factors, climate change can be a key variable. Climate change and unpredictable weather conditions may severely

affect agricultural production leading to a shortage of fresh ingredients produce and supply.

Similarly logistic issues may occur as timely delivery of fresh ingredients may not be delivered to the franchise. Even though locally produced fresh ingredients can be purchased, the climate factor and unpredictable weather factor will always be an issue for the logistic and inventory department. Other than these, failing to maintain strong relationships with multiple suppliers can be a big risk. Quality Controlling is a major issue in the supply chain, if a particular ingredient is supposed to be inwarded from a specific place, and that place is facing some issues; then there will be a problem which

will lead to purchasing it from another place and can harm the quality of the food product and hence can affect the customer satisfaction.

3.] Customer Services:

Pita Pit Restaurant being a Fast-Casual Dining, customers quick, efficient service without compromising on the quality of the food. A well-coordinated effort is required to minimize the waiting time and ensuring the perfection of all the orders. Like the competing brand Subway, Pita Pit’s menu is made-to-order, which can lead to longer preparation times. The constant challenge and most critical problem is to balance speed and quality at the same time. Now Customer Satisfaction and Employee management are interlinked in a more complex way as they clearly directly depend on each other. Now-a-days there is a famous trend for a completely personalized experience. By that the responsibility comes of the employees to handle specific requests efficiently and understand the dietary restrictions. Hence generates the need for high personalization increases the demand for well-trained, knowledgeable staff who can deliver consistent service. Which can be a bit problem to balancing the customer satisfaction and employee management. (Google Reviews. (2023) From most of the online reviews and according to the reviews on their site, the customers have not been satisfied with the employees in almost all the franchises in New Zealand. The wait time, services and overall experience from a particular franchise were not good and there was no satisfaction. This has created a big challenge for the Pita Pit Restaurants.

4.] Employee Management:

Pita Pit not being an exception for challenges like High Employee turnover rates, Recruiting and retaining motivated and skilled employees is a significant challenge. Pita Pit has a personalized experience for the customers which is a big challenge for the employees as they have to be trained and developed and be well equipped for the requirements of the employees. For more advanced and more updated training they require much time for their training , which usually is after hours . These continuous training may affect the employees interest in the service and may lead to poor customer service. ( Reddit. (2023) This may also affect the work-life balance of the employees. Also for the restaurant, maintaining high levels of employees is a big challenge. The connection between Employee Management and the Customer Services is deeply related, the management and well-being of the employees directly

influences the quality of services provided to customers. Hence, the challenge of effective employee management, customer services along with high food quality are the multifaceted and interrelated.

Overcoming the Challenges with Critical Analysis

Strategy:

(Payne, A., & Frow, P. (2013) As perfectly noted in the book Strategic Customer Management: Integrating relationship marketing and CRM, in usual business, the customer is the key factor for every industry hence, to know your customer better and to get to know what exactly the customer needs is the key to a successful customer service. To overcome the Customer Services Challenge, Pita Pit should be able to balance the Customer Services and Resource Utilisation, by doing so, the business can overcome the challenges facing due to Customer Services and the stocking problems. They can also make use of modern world apllications which are being used by all the major businesses, like Data Analysis, or Visualization to understand the appropriate challenge gap and work on that and hence improve communication and finally lead to data-driven decision making. Pita Pit must ensure that all the strategies which are planned and carried out are aligned with enhancing customer satisfaction.

Capacity Management:

To balance inventory and to meet customer demand without overstocking or understocking, we can make use of the DEMAND FORECASTING. Historical Sales data and predictive analytics can help the business to achieve the balance. (Greasley, A. (2008) Appropriately penned in *Operations management* (2nd ed.). Wiley, by

forecasting we can Manage Inventory, Enter the Market and Expand production with implementing promotional plans. Hence by doing forecasting we can optimize a lot of challenges faced by the Pita Pit restaurant like Inventory Management. Many techniques in the Forecasting can be used like time series modeling. The soul purpose of doing forecasting is to predict what can be the number of customers who will visit the restaurant in the near future. Pita Pit restaurant should implement a dynamic scheduling system that adjusts staffing levels which are based on real-time demand forecasting. For Scheduling, Listing all the important stockings, which nutritional contents should be stored first, which should be used as the first priority; as a fresh

food industry and having a clear goal to provide nutritional food products, Pita Pit restaurant should highly prioritise their inventory as, some of the nutritional ingredients may lose their nutritional value after some specific hours. Also arranging them according to their specificities should be done.

Value Chain Enhancement:

(Heizer, J., Render, B., & Munson, C. (2020) In the book *Operations management: Sustainability and supply chain management* (13th ed.). Pearson, By reffereing to a section of this book , we know that to optimize the value chain, it involves improving every step from ingredient sourcing to customer delivery. Some of the communication methods which are very important in the value chain enchanment. Working closely with the suppliers will help to ensure that they surely meet the quality standards and also to adapt the changing situation of demand quickly. Streamlining logistics to reduce leading times and ensuring the freshness of ingredients is must. One of the best ways to do this is to optimize delivery routes and schedules. One of the best ways to analyse the Value Chain is the Porter’s Value chain. By applying this chain framework, one can identify and optimize activities that add value to the product. This will include inbound logistics which also means the supplier management, operations means the food preparation and outbound logistics which are the delivery services, marketing and sales.

Statistical Process Control:

(Montgomery, D. C. (2019) Introduction to statistical quality control, taking reference from the well-known book we know that, SPC is a methodology which monitors and controls a process to ensure whether it operates at its full potential. In Pita Pit Restaurant, SPC can be employed to maintain and improve food quality and process consistency, addressing challenges related to ingredient freshness, preparation times and temperature control.

The first step for SPC can be identifying the critical processes and metrics It should include ensuring ingredients freshness upon arrival and whether they are stored correctly. Also, ensuring consistent preparation times and methods. A key factor which is important is, maintaining appropriate temperatures during storage and serving. The next step includes Data Collection. Data can be collected in two ways, Manually and Automatically. For the Manual Recording, staff records the timing and temperature at

the given time interval. And for automated record, sensors and timers can be installed. The next step should be setting control limits. Setting limits based on supplier specifications. For example, the vegetables should be used within 2 days of delivery. Then should plot the average time from the delivery to each used day. Plotting the range of freshness times each day and if the freshness time consistently falls outside the 2-4 days range then they should investigate suppliers reliability or storage conditions.

Conclusion

Pita Pit being a large food restaurant chain has its popularity over the world. Along with an apt business framework, the food chain also requires some more solutions to solve the problems faced. The problems faced by the food chain are critical problems. Critical in such sense that if we try to optimize one problem, another problem can rise up and can be a challenge to the business. Hence some solutions are provided with critical analysis and which can help the business run smoothly. Some basic solutions like data analysis for the number of customers visiting and their review of the restaurant. Then critically thinking for the Demand forecasting for the Inventory management and the Stocking of freshly supplied nutritious food. The best option of Porter’s Valur chain to optimize almost all of the problems. And coming to Statistical Process Controlling and Statistical Quality Controlling for overcoming the challenge of food quality and its services are suggested. Hence by applying the above techniques, the Pita Pit Food Industry can efficiently succeed in optimizing all the challenges faced.

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