



# SCQ ANALYSIS ON MC DONALD'S CORPORATION

Presentation By  
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# SCQ Template

## Situation

### Relevant facts about the client's situation:

McDonald's dropped to number 30 in the Dow 30 with a 10.75 percent return. The company went from first to last within 12 months. McDonald's sales growth dropped by 1.8% in 2021, first monthly decline since 2003.

## Complication

### What's creating the need for change now:

Due to the weak global economy there was a drain in domestic sales. When the dollar was weak, it had been an asset to get 70% of its revenue from other countries, but the dollar strength made Mac Donald's products even more expensive for its international consumers. European sales were also soft due to political problems in Russia. Several Mac Donald's outlets had failed inspection and been shut down in retaliations for US sanctions against the Russian invasion of Ukraine.

## Question

### Fundamental issue that analysis will address:

Four main principles to be maintained, Quality, Service, Cleanliness and Value.  
How to shoot sales globally and compete against healthy salad alternatives competitors.

## Answer

### Recommendation:

Cost cutting by improving operational efficiency. Not to make smaller burgers just to make more money.  
Quick service restaurant with use of technological advantages.  
Healthy alternatives to be introduced with Calories and nutrients information to increase awareness for a healthy nation.  
Employee training to improve customer loyalty.

# Issue Tree Template

## Question

How Mac Donald will perform better against competitors and maintain quality and diversity globally catering to its delivery services and advancement in use of technological advancements?

## Issues

- Staffing Issue
- Low wage issues
- Labor appeals
- Confused by the complex menu offerings,
- Distrustful of the quality of ingredients,
- Frustrated at how long it took to get their food, and
- Angry at the company's "exploitative" labor policies.

## Sub-Issues

- Rude and Unprofessional behavior of employee
- Too many restaurants were understaffed during peak breakfast and lunch hours, more work load
- Work piles up and customers grow increasingly irritated at how long it takes to place and get their orders.
- Low wages and Stressed employees.
- Drop out of employees to less stressful and high paying jobs.
- According to national survey of quick service restaurant, Mac Donalds ranks next to last in friendliness
- Activist continue to lobby for an even larger pay raise (a \$15-per-hour minimum) as well as the right to unionize without retaliation.

# McDonald's

# Issue Tree Template

## Question

How Mac Donald will perform better against competitors and maintain quality and diversity globally catering to its delivery services and advancement in use of technological advancements?

## Issues

- Increase appeals of Millennials
- Maintaining quality and diversity
- Diversified companies Portfolio by buying different chain restaurants

## Sub-Issues

- Negative Press “ Fast food Nation”
- Choosing fresh and healthy food over fast and convenient
- Documentaries like Supersize me and Pink Slime
- Added complexity comes with increased cost and service delays
- At home they had multiple failed attempts to add new menu items such as pizza, fried chicken, fajitas, and pasta. The Arch Deluxe sandwich line, targeted to adults, was similarly short-lived.
- According to the Restaurant Association, millennials tend to favor quick service, deli, and pizza joints over more traditional casual and high-end dining; ethnic foods are also viewed as new and interesting.

McDonald's

# Issue Tree Template

## Question

How Mac Donald will perform better against competitors and maintain quality and diversity globally catering to its delivery services and advancement in use of technological advancements?

## Issues

- Choice of Menu for different age groups
- Competitors advantage
- Transparent and demonstration awareness of customers health and environment

## Sub-Issues

- All day breakfast menu(high retrofitting cost)
- Customized to suit local taste
- Giving freedom, which compromised quality
- Competitors edge on customization.
- A recent study indicated that McDonald's was not even in the top 10 of the 18-to-32-year-old age group's favorite restaurants.
- Instead, millennials are more likely to eat at fast-casual restaurants that emphasize ingredient quality and demonstrate an awareness of social issues like environmental sustainability.
- Transparency is also important to young adults. Restaurants such as Chipotle and Panera Bread are known for demonstrating openness about their food sourcing and preparation.

The McDonald's logo is displayed in large, white, 3D-style letters against a red background.

# Hypothesis Tree Template

## Answer

Have a clear and unified vision for the franchise, implementing employee training programs and sticking to their main principles of Quality, Service, Cleanliness and value.

## Hypotheses

- Employee behavior training.
- Increase employee benefits

## Sub-Hypotheses

- Prior employment Employee training will improve customer loyalty and behavior improving their friendliness rating.
- Improve professionalism and efficiency by proper distribution of work with proper manpower
- Decrease work load by using technological advantages, Automation, Machines and apps etc.
- Introduce employee benefits program to boost their moral and their loyalty towards their Company.

The McDonald's logo is displayed in white, bold, sans-serif capital letters on a red background. The letters are slightly shadowed, giving it a 3D appearance as if it's a sign on a wall.



# Hypothesis Tree Template

## Answer

Have a clear and unified vision for the franchise, implementing employee training programs and sticking to their main principles of Quality, Service, Cleanliness and value.

## Hypotheses

- Emphasis on quality than diversity
- Improve quick service delivery

## Sub-Hypotheses

- Use of Technological enhancements for customer feedback and surveys
- Differentiate services like breakfast, lunch meals etc to target different audience groups
- Use popular accompaniments with its products to associate with local appreciation and emphasis
- Associate unique health markers, make it more appealing to customers concerned with health benefits.

# McDonald's

# Hypothesis Tree Template

## Answer

Have a clear and unified vision for the franchise, implementing employee training programs and sticking to their main principles of Quality, Service, Cleanliness and value.

## Hypotheses

- Introduce new products with prior research.
- Improve in quality service.

## Sub-Hypotheses

- Changes in promotional strategies, emphasize on its nutritional value and benefits.
- Conduct promotional events for youth to predict impact of new recipes to be launched
- Conduct awareness of its food preparation and quality assurance.
- Prior research and conduct various test on changes to existing or new recipes

McDonald's



# Minto Pyramid Template

Answer

Stronger financial discipline, faster decision making and hard edged accountability.

Key Line Statements

Professional behavior training to employees

Use of technologies at outlets for quick service

Focus on menu items catering to specific needs of locality and adapting.

Employee benefits program to be accountable for their stress free work culture

Evidence

Ideas, opinions and involvement

Feedback and customer survey

Case studies with experimental outlets

Ideas, opinions from users.

Sale chart of each products

Business Analysis and logistics

Systematic review

Surveys and opinions.

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