

Wendy's Business Re-engineering



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EXECUTIVE SUMMARY

Wendy's International, Inc. is one of the world's largest restaurant operating and franchising companies, with \$9.3 billion in 2002 system-wide sales and three quality brands -- Wendy's, Tim Hortons, and Baja Fresh. Wendy's vision is to be the quality leader in everything it does. The Wendy's Company is the world's second-largest quick-service hamburger chain in the United States, by volume, with more than 6,500 franchise- and company-operated restaurants in the US and 28 countries and US territories worldwide. In 1969, the first restaurant opened in Columbus, Ohio, promising to serve a new gold standard in quality food, a legacy that continues today.

Given the competitive environment of the quick service restaurant industry, it is important that Wendy's customer's experience also must be met so that they retain them and improve gradually in the fast-food chain industry. Furthermore, maintaining cleanliness, maintaining quality of the food served, hiring best employees, reducing the waiting line of customers and reducing crime rate in every branch becomes crucial.

Even though Wendy's vision and goals are strong enough, few factors are not met with the changing technology and changing needs of the customers. Therefore, the current AS-IS process of Wendy's is not efficient enough as it does not completely fulfil the customer satisfaction. How do we prevent something like this from happening?

INTRODUCTION

The process which we are considering for the project are –

- Waiting line of customers
- Maintaining cleanliness
- Maintaining Quality of the food served
- Hiring best employees
- Reducing crime rate

There are several issues that came up when basic inspection of food chains was done, there were numerous violations from Wendy's. Following are the major observations of Wendy's food chain:

- At Chicago, inspectors found dead rodent decomposing on a rat trap
- An inspector in Texas found a worm in a Wendy's salad, food debris and litter under and around equipment.
- The Wendy's massacre was a mass murder that took place in a Wendy's fast-food restaurant at New York City. Seven employees were shot in the head and five of them died.
- Fast-food workers are paid so little. Often, the robber is a friend of an employee or an employee himself

- Sit-down restaurants had 0.8 assaults per 10,000 employees in 2009, fast-food joints had 1.8
- Wendy's being the most popular fast food chain in NJ, there are several branches that are busy. Customers are lined up outside the store.

FUTURE VISION

Our primary goal is to increase the customer experience through implementing new technologies such as self-order kiosk machine in the stores which are mostly crowded

Conducting inspections regularly and collecting reviews from customers to maintain cleanliness

Implementing quality check meters in the store so that customers can themselves check the quality of the items that Wendy's serve

When the employees are happy, the customers are generally happy. Therefore, we should focus on employees and teams working at Wendy's. Many of the employees working at Wendy's are younger, minimum wage employees. They do not necessarily take a lot of pride in their job because they do not plan on making a career out of it. Therefore, motivating them and adding a qualification as a factor while hiring them would solve this problem

Adding security systems such as advanced cameras, burglar alarms and hiring branch police if needed at the branches which are prone to high crime rate would reduce the occurrence of violence and crime

STEEPLE FACTORS

Social Factors:

Due to lifestyle changes, customers would need changes in the service and there could be increase in the demand. Crime rate also affects the market and the dignity of the company. Education level of employees would bring changes in the way the customers are served and addressed

Economic Factors:

Many employees work for a minimum wage in fast food chain and if they demand raise in the pay, this could result in a drastic hit to fast food company profits. This could also increase robbery, crime rate. Similarly, if there is a hike in the rate of key ingredients that they regularly use, the menu price for customers would also increase.

Legal Factors:

Employment law, dictates how companies' employees should be treated. Minimum wage laws can limit the various different employment possibilities a company can offer.

Environmental Factors:

Climate changes, increase in pollution would affect the quality of the food served. The availability of non-renewable goods, especially popular ones like oil or natural gas, can vastly change the market.

STAKEHOLDERS

Owner:

Creating and environment leading to successful projects with quality assurance, completion on time and maintain the costs within the budget

Staff/Manager:

Ensures that the work is done according to the plan and policies and standard quality to meet the mission statement that are usually set by the higher authorities.

Supplier:

Ensures that the quality food items are delivered on time.

Customer:

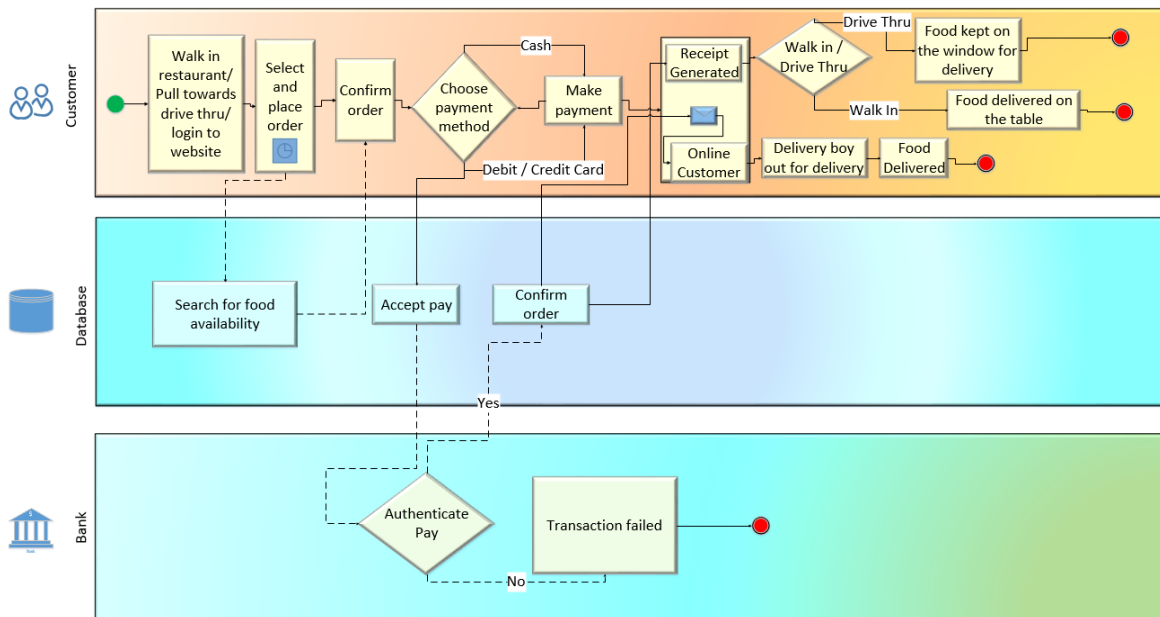
They are the main stakeholders who must be fulfilled with quality service and expectations.

Bank:

Ensures that the transaction process is done systematically without creating any errors.

AS-IS PROCESS

As – Is BPM Diagram



Key-triggers in the process

Major triggers which combine to start process are as follow:

- Customer walk in/Drive-thru/log in online to Wendy's.
- Customer place order.
- Receipt is generated.
- Payment is made.

Major triggers which combine to end the process:

- Food is delivered on table/window or delivery boy takes the food on the provided address.

AS-IS Scope Diagram

The process is to deliver food to customers:

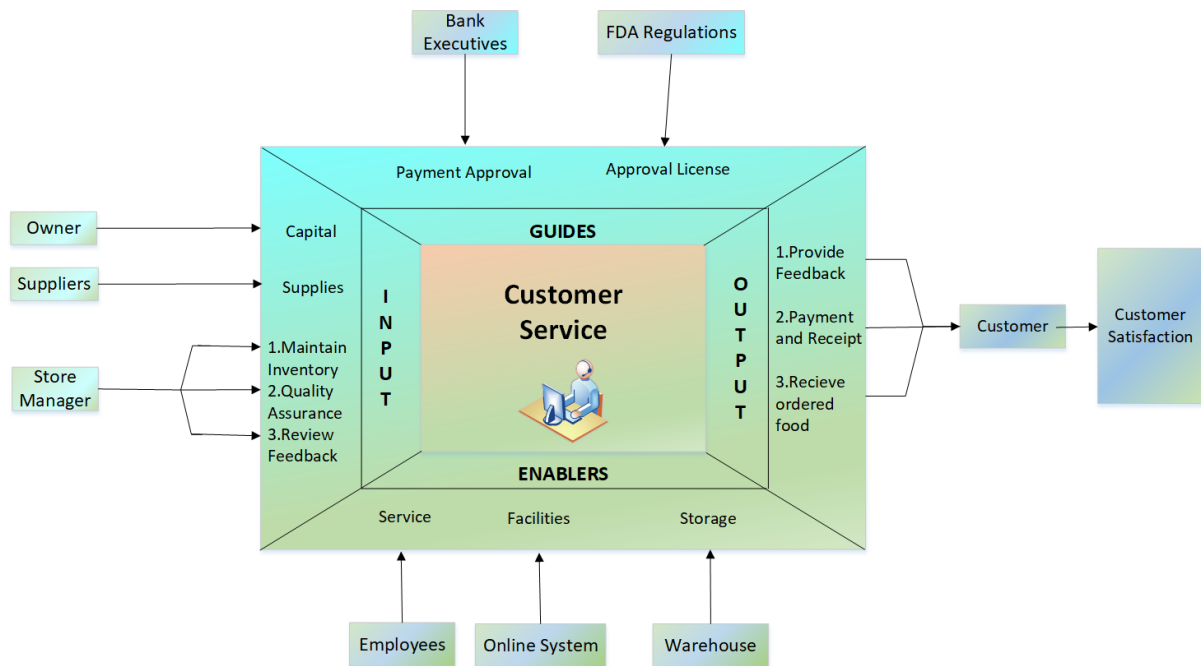
Input: Owner, who invested in a business. Suppliers, who supplies raw material to a food chain and Store Manager, who is in charge of a store.

Output: Customers, who will make the payment, receive food and provide feedback.

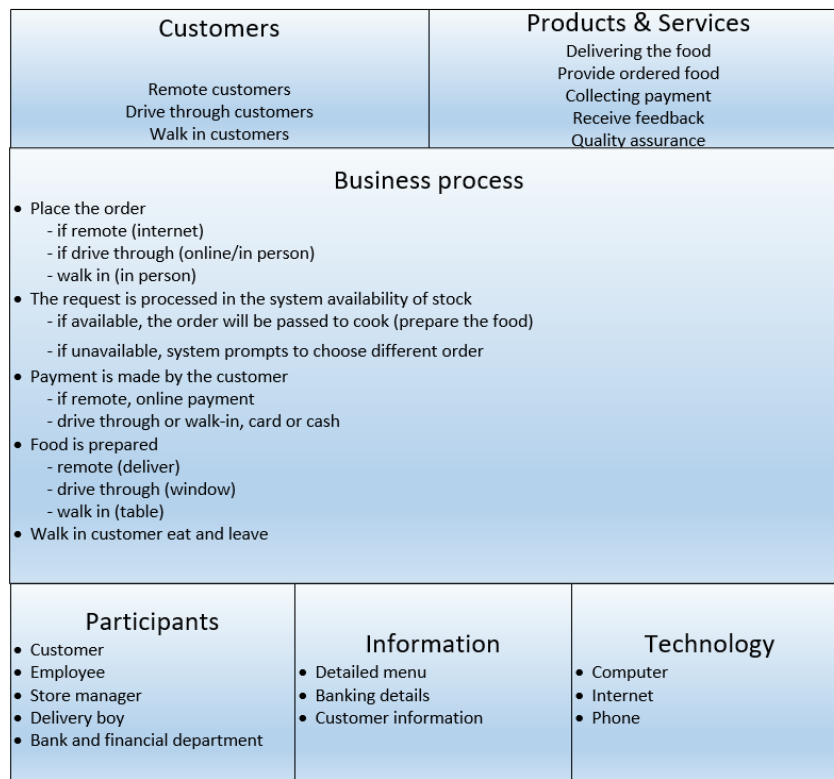
Enablers: Employees, who will provide services. Store online system, which provide database for store and warehouse, where storage is allowed for the items.

Controls: Bank executives, who will approve the transactions made by customers and FDA, which will provide the regulations for hygiene and good quality food.

Project Scope Diagram



As – Is Work System Snapshot Diagram



Opportunity/Problems in AS-IS Process

As we discussed above that Wendy's is one of largest fast food chain but also have most unsatisfied customers. Let's just say that they huge number of stores all over the globe but they unable to manage their customer satisfaction and failing to come up with new business model. So, we are looking to take some measures which can provide customers to a level of satisfaction.

The most common problem faced in this fast food chain are:

Waiting lines: Stores present on busy highways have huge waiting lines even for small bites which is very annoying to customers.

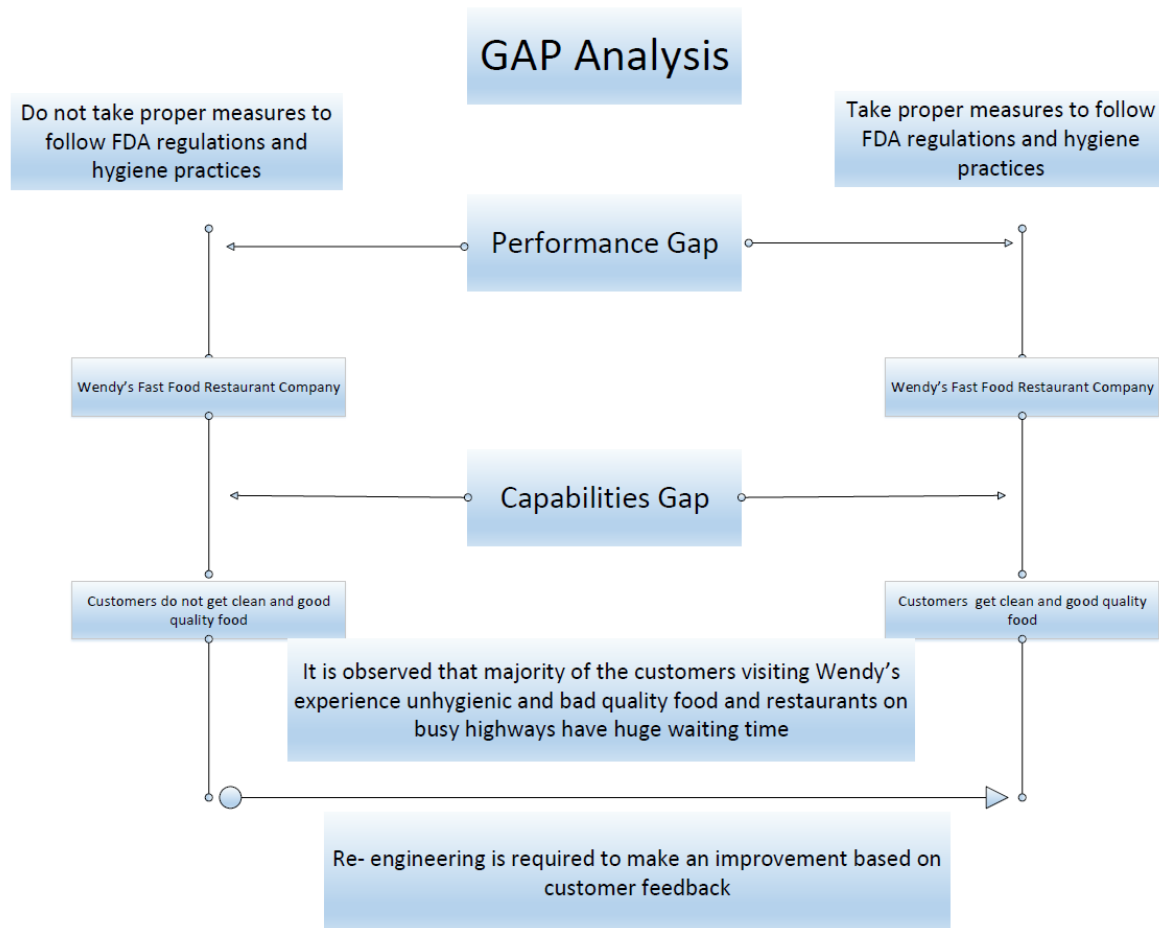
Cleanliness: Stores located in a crowded areas are not cleaned properly. Often, customers finds some unhygienic content in their food.

Quality of food: Food quality and taste is not consistent all over the time and rotten food is also served various time.

Bad hospitality from Employees to customers: Employees do not receive good pay which results in job dissatisfaction and rude environment.

Crime: Stores which are located in secluded location recorded huge amount of crime in night hours.

GAP analysis



TO-BE Recommended solution process

From the above scope diagram the main problem that we have identified is divided into three parts:

Waiting lines: Stores which are present in busy highways and experience huge waiting lines can have kiosk installation which offers customers the opportunity to self order. This will help them to manage the crowd and waiting time for the food can easily be reduced.

Cleanliness: This is the major problem experienced in Wendy's store. Customer finds small insects or unhygienic content in their food which turns out to be the major reason for customer dissatisfaction. To overcome this, business model should be re-engineered by implementing, inspection of a store on regular basis and the inspection report should be

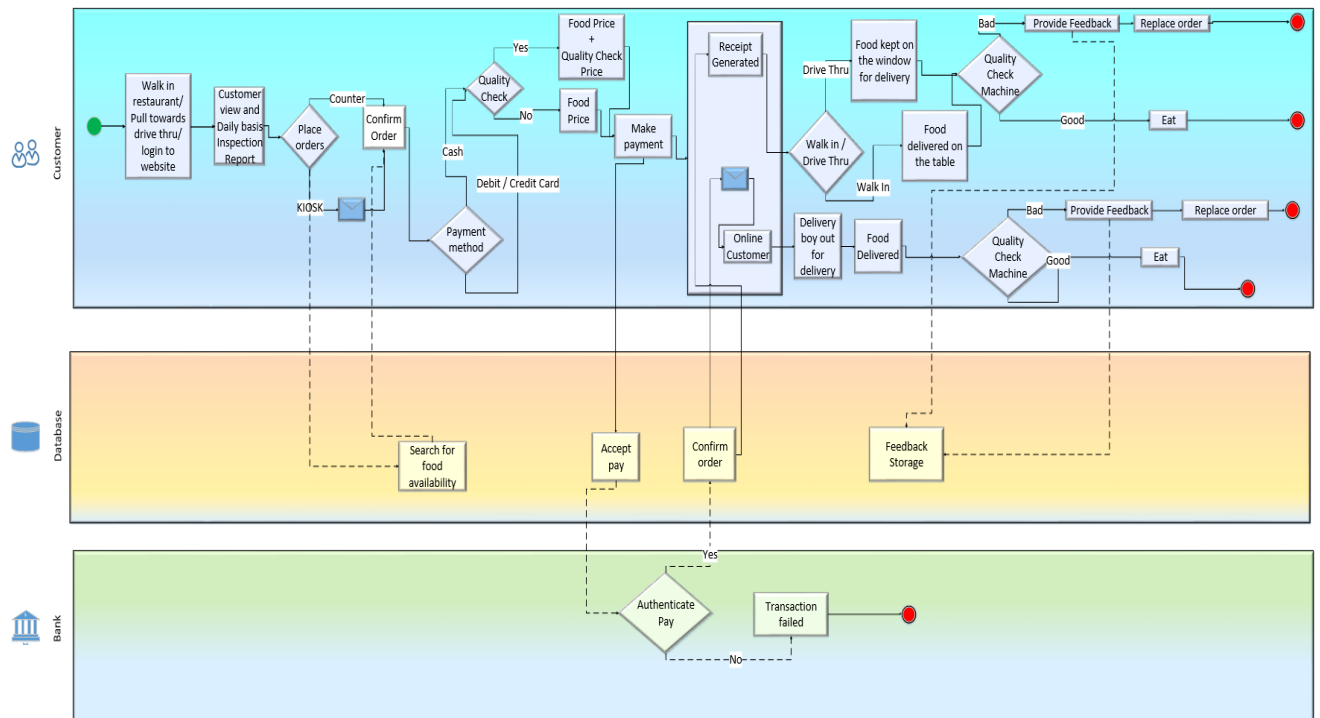
hanged in store such that it catches the eye of any customer entering the store, before placing order.

Quality of Food: Disposable quality meter can also be provided on customer request to check the freshness of food.

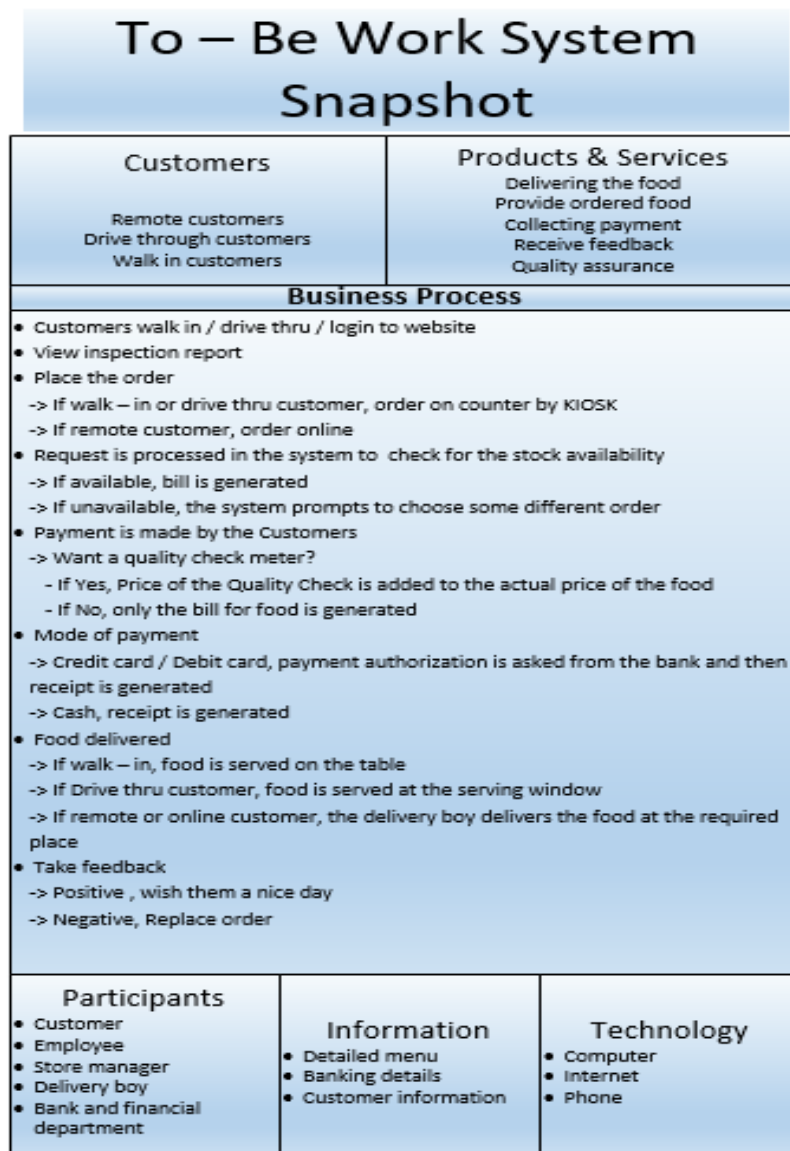
Crime: As we discussed in problems section, crime rate at Wendy's store during night is maximum. The biggest contributor to crimes are friends or family members of employees working in store because they are minimum wage employees. To overcome this problem, security guards should be hired for the hours having high crime rate and decent salaries should be given to the employees in order to maintain happy and healthy environment.

TO-BE Process

To – Be BPM Diagram



TO-BE work system snapshot



Benefits

If we prepare a business model which overcomes all the problems discussed in AS-IS process, it can be proved very helpful in growth of business which can involve factors like:

Improving customer satisfaction: Having happy and satisfied customers is an important goal for any food chain industry. Food served with hygiene and consistent good quality is very important for customer satisfaction.

Customer retention: It turns out to be progressively critical and trying for an organization in holding their client with so many loop holes in their business model and bad service. Losing a consistent client is never a decent sign of a business. In order to retain their lost customers inspection report can help a lot. When, customers go through regular inspection report of a store then burger lovers would surely want to come back.

Increasing Profit: Essential objective of any business organizations is to improve with respect to revenue and benefit. To achieve the goal of profit and good customer feedback, all the processes need to be analyzed deeply and improvement should be done in required areas.

Estimates and Assumptions

Attracting new customers: A cheerful customer could get new potential customers, which in a way is a free attention or promotion for an organization. Now a days, customers are very much influenced by the reviews obtained from with family or friends. Good service and food can make consumer experience better which will result in good reviews.

Reduce crime rate: Employees working in the stores should have some level of education and should be trained for their role. They should also receive reasonable pay for their job. By doing this, they will be able to interact well with customers and not be a part of any crime took place in or near the store.

Cost Estimation

TASKS	UNITS	PEOPLE INVOLVED	COST
Install Kiosk	5	2 People	\$8,000
Frequent Cleanliness Inspection	-	2 People	\$3,000
Disposable Quality Check Meters	100	1 Person	\$5,000
Hire security guards	2	2 People	\$4,000
Store and analyse customer's feedback	-	4 People	\$5,000
TOTAL ONE TIME COMPENSATION			\$8,000
RECURRING MONTHLY EXPENSES			\$18,000

Risk Factor

- Less knowledge of technology for operating kiosk.
- Language barrier for using the kiosk machine.
- Disposable quality check meter not functioning properly.
- Database redundancy for storing feedbacks of cleanliness and quality check.
- Security guards unable to perform their duty well.
- Employees unable to follow or adapt the training given.

Risk Mitigation

- Providing step by step instructions for operating the kiosk.
- Providing different language options in kiosk.
- Adding pictures of food items to the kiosk.
- Adding Quality check meters often in their inventory.
- Food replace policy should be lenient.

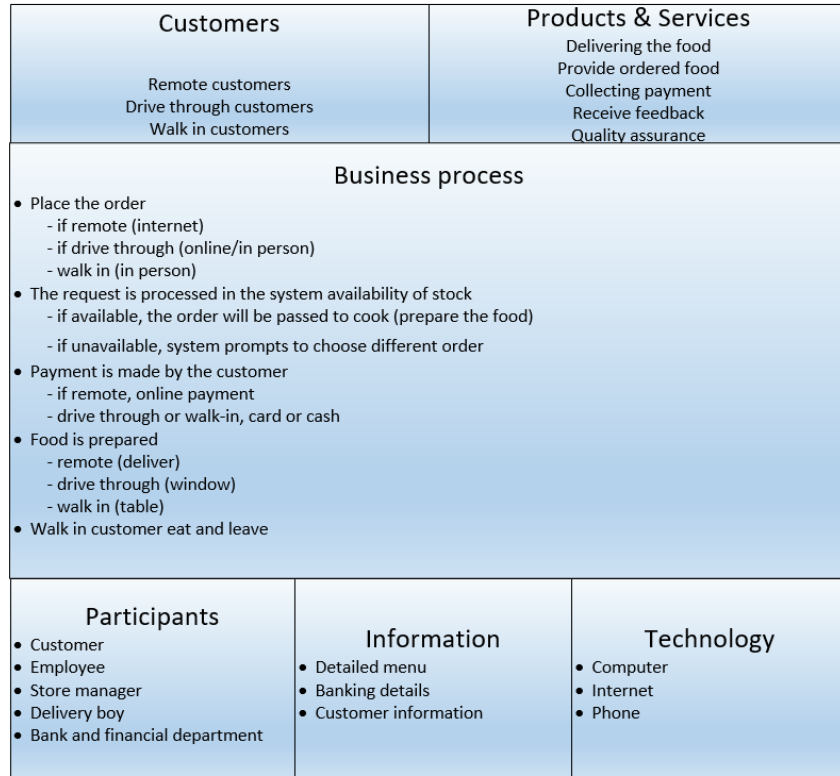
Implementation Timeline

Process Involved	Estimated Hours
Planning	72 hrs
Hiring	48 hrs
Production	30 hrs
Analysing	24 hrs
Total Hours	174 hrs

APPENDIX

AS-IS Work System Snapshots

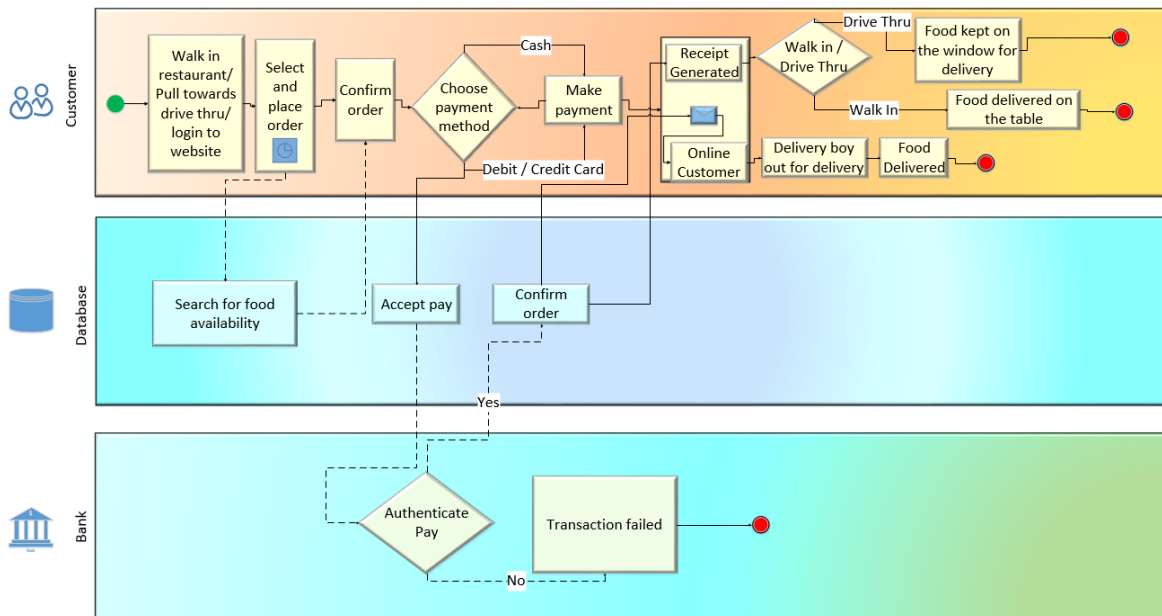
As – Is Work System Snapshot Diagram



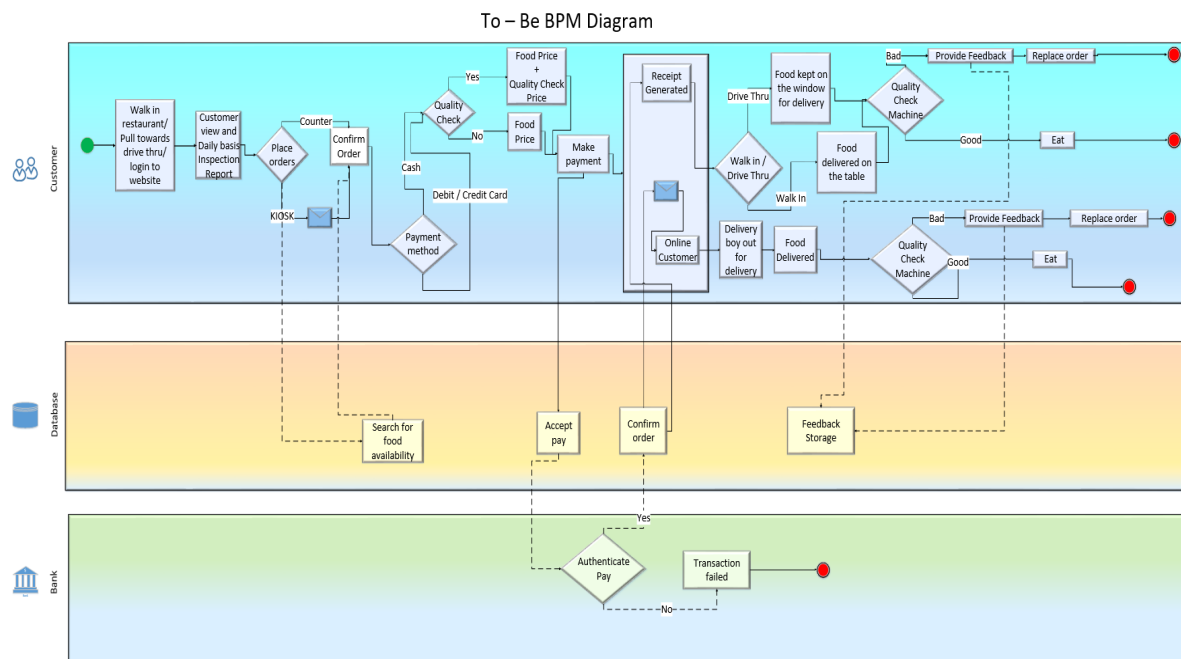
To – Be Work System Snapshot		
Customers Remote customers Drive through customers Walk in customers	Products & Services Delivering the food Provide ordered food Collecting payment Receive feedback Quality assurance	
Business Process <ul style="list-style-type: none"> Customers walk in / drive thru / login to website View inspection report Place the order <ul style="list-style-type: none"> -> If walk – in or drive thru customer, order on counter by KIOSK -> If remote customer, order online Request is processed in the system to check for the stock availability <ul style="list-style-type: none"> -> If available, bill is generated -> If unavailable, the system prompts to choose some different order Payment is made by the Customers <ul style="list-style-type: none"> -> Want a quality check meter? <ul style="list-style-type: none"> - If Yes, Price of the Quality Check is added to the actual price of the food - If No, only the bill for food is generated Mode of payment <ul style="list-style-type: none"> -> Credit card / Debit card, payment authorization is asked from the bank and then receipt is generated -> Cash, receipt is generated Food delivered <ul style="list-style-type: none"> -> If walk – in, food is served on the table -> If Drive thru customer, food is served at the serving window -> If remote or online customer, the delivery boy delivers the food at the required place Take feedback <ul style="list-style-type: none"> -> Positive , wish them a nice day -> Negative, Replace order 		
Participants <ul style="list-style-type: none"> Customer Employee Store manager Delivery boy Bank and financial department 	Information <ul style="list-style-type: none"> Detailed menu Banking details Customer information 	Technology <ul style="list-style-type: none"> Computer Internet Phone

AS-IS BPMN Model Diagrams

As – Is BPM Diagram

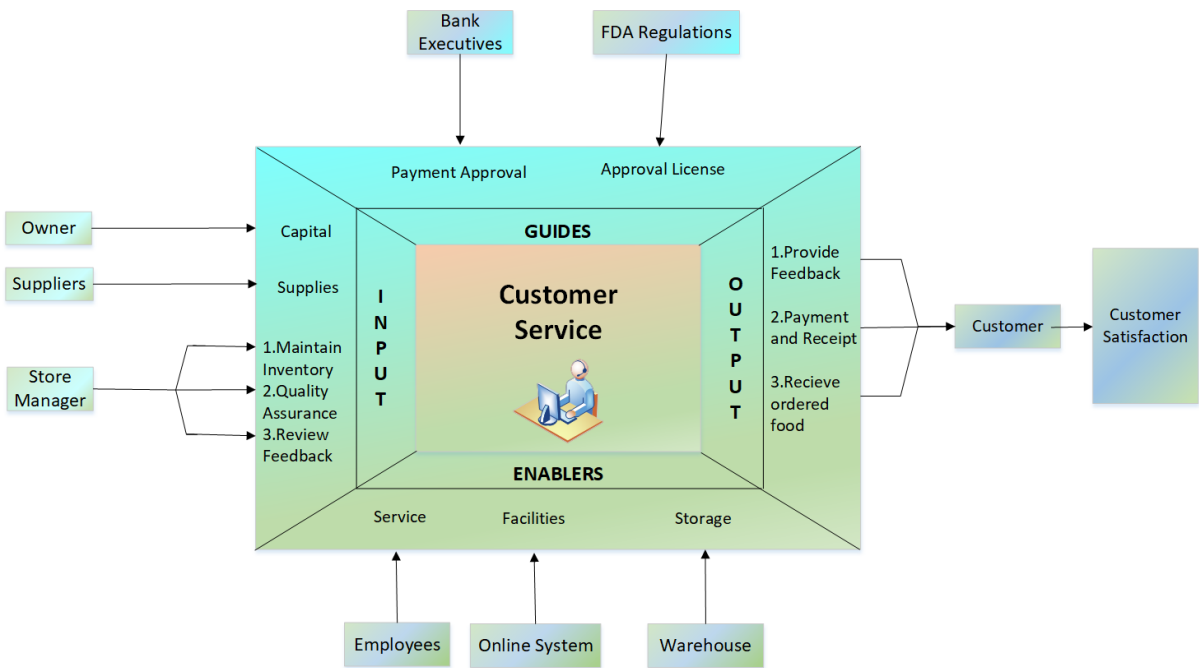


TO-BE BPMN Model Diagrams



Project Scope Diagram

Project Scope Diagram



AS-IS and TO-BE GAP Model

