

McDonald's

Strategic Management Group Project

Go





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Executive Summary

- Global fast food leader with 40,000+ locations and strong brand recognition.
- Cost Leadership & Efficiency drive profitability and competitive pricing.
- Tech & Innovation: AI-driven automation, mobile ordering, and delivery partnerships.
- Challenges: Rising competition, health-conscious trends, and supply chain risks.
- Strategic Focus: Expanding value menus, diversifying suppliers, and strengthening food safety.

Organizational Structure

Hybrid Divisional Structure that combines corporate, regional, and functional divisions using a franchise-based model.

- Corporate Division
 - Manages global strategy, operations, and branding
- Regional Divisions
 - McDonald's USA
 - International Markets
 - International Operated Markets
 - International Developmental Licensed Markets
- Functional Division
 - Finance, HR, Compliance, Sustainability, DEI, and Communications

McDonald's Hierarchy



External Analysis

Threat of New Entrants - Low to Moderate

McDonald's global scale, high capital needs, and strong brand loyalty create high entry barriers, although niche local competitors can still emerge.

Substitution Threat - High

Multiple alternatives from home cooked meals to healthier dining and delivery services - intensify the threat of substitutes in the fast food sector.

Supplier Power - Moderate

A diversified supply chain and long-term contracts keep supplier power moderate, with some influence from unique partners like Coca-Cola.

Buyer Power - High

Low switching costs and abundant fast food options empower customers, forcing competitive pricing and value deals.

Industry Rivalry - High

Fierce competition among global fast food chains drives price wars, continuous innovation, and localized menu strategies.



Firm Infrastructure

McDonald's leverages global leadership to drive growth, innovation, and compliance, delivering quality food that benefits communities and the environment.

Human Resource Management

McDonald's ensures consistency and retention in its franchised model through comprehensive training and career development programs for a diverse workforce.

Technology

McDonald's drives global customer experience by investing in technology and product innovation—like mobile ordering, self-service kiosks, and plant-based burgers—while leveraging culturally integrated teams.

Procurement

McDonald's secures its supply chain with strong supplier partnerships that deliver high-quality, cost-effective, and sustainable ingredients.

Inbound Logistics

McDonald's sources ingredients globally through robust supplier partnerships and advanced JIT systems, ensuring consistent quality and cost efficiency.

Production/ Operations

McDonald's ensures operational efficiency across its franchise network through standardized procedures, robust training, and integrated technology like self-service kiosks.

Outbound Logistics

McDonald's leverages efficient logistics—from centralized distribution and drive-thru services to partnerships with UberEats and DoorDash

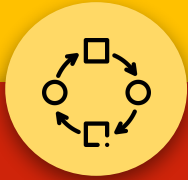
Marketing & Sales

McDonald's leverages its iconic brand—with golden arches, the "I'm lovin' it" jingle, and signature menu items—through consistent, simple marketing and digital channels to build loyalty.

Customer Service

McDonald's invests in employee training, rewards programs, and strict franchise guidelines to ensure fast, consistent, and clean service across all locations, bolstering its iconic brand.

Strategy Formulation – Cost Leadership



Operational Efficiency

- AI / Automation
- Standardized Processes
- Hamburger University

Economies of Scale

- Bulk Procurement
- Highly standardized menu



Supply Chain Optimization

- Just-in-Time Inventory
- Sustainable & Local Sourcing
- Long-term Supplier Contracts

Strategic Pricing Model

- Value Menu
- Bundled Meals
- Tiered / Regional Pricing



Recommendations

Continued strategy of value menu to premium items for competitive positioning and maximized profits

Build new relationships with local suppliers targeting long term agreements

Increase marketing communications with customers emphasizing renewed food safety

Welcome To Mcdonalds

Via Jokideo.com



Can I Take Your ~~Order~~

Questions?



THANK
YOU