



Iqra National University, Peshawar
Examination 2020
Assignment
Course Title: Principle of Management

Total Marks: 30

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Department: BS(CS)

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Note: Attempt all questions

Id: 13002

Keeping in mind the Current Pandemic (Covid-19) How will a Restaurant cope in this situation:

The Example of the restaurant applies to all questions.

It's an open book exam so don't copy and paste, use your creative thinking.

**-Keeping in mind explains how to plan, organize, lead and control its operations.
(5 marks)**

Ans: As according to the current Pandemic (Covid-19) the plan to run a Restaurant is to first of all obey the law if the government don't allow to open a restaurant then one have to stick to the rules otherwise you will lose your restaurant which is definitely a loss. When the government permit to run restaurant then according to rule the restaurant should give a quick and active response with positive energy without discussing covid-19 that for example this meal is not available due to Pandemic, such words can spoil your customer mood as they are under lockdown. The most important plan in such conditions is to have little extra stored grocery than usual in storing that the restaurant should not go out ingredients used in recipes.

The restaurant should be organized in a way that customer should not gather or visit the restaurant to get their order as there is possibilities that the restaurant get infected with the virus. The restaurant must have more delivery persons than usual as peoples are lockdown or they are scared from coming out of their houses. The important part in this pandemic for a restaurant is to keep and have a staff that is not infected, there must be protocols for the staff to live in a single place as there are chances to carry a virus from their house to the restaurant or if they get infected from by chance in restaurant and the employee leave for their home can infect the whole family, as a restaurant employee they have to sacrifice for their family.

The restaurant must be led in the maximum cleaning and precautions taking ways to serve the nation and keep the business safe. By maximum cleaning means to wash each and every thing that are being carried in the restaurant whatever it is or as according to covid-19 researchers kept things that are bought in market in open air for at least eight hours that the virus gets rid of that things. And by maximum precaution I mean to provide handwashes, sanitizers, masks, gloves etch to the staff and launch street-side table for meal sales.



Restaurant should control their operation like bringing groceries in through a specific process to not let the virus into the restaurant. Make sure that the delivery person or the meal during the delivery process should not expose to the virus. The delivery person should not meet or get into the customers house. The payment should be online as there is massive cases of virus spreading through the notes etc.

-Explain how it will cope with the External internal environment and how all these factors are affecting the business. (10 marks)

Ans: External environment:

From making strict rules and protocol, it will not only make the restaurant cope with the external environment but will help to grow business in future as to make your customer sure that how much the restaurant give its best for not only cook good but also make the safety of their customer as their top priority.

- I. General Environment: The management of a Restaurant must also keep a good look on employee's emotions as they are also going through tough time, letting the employee's talking to their families when they requested or the family calls, so they will concentrate on their job as they will get know that their families are safe. Also

telling their employee's to not think about any work leave as there is nothing to do at home and they are better for being busy at work and not worry about their selves as the restaurant are providing safe internal environment for their work by obeying the protocol

- II. Task Environment: The restaurant security should not let people standing in groups for order as it is dangerous for the spread out of virus. The restaurant must launch street-side table for meal sales. Make sure that the delivery person or the meal during the delivery process should not expose to the virus. The delivery person should not meet or get into the customers house. The payment should be online as there is massive cases of virus spreading through the notes etc.



Internal Environment: Any things that comes from outside should be washed and then used. It's hard but will be too good if the employee's get bath at restaurant before work and get on their uniform, masks, gloves and hats after taking bath. The next thing most important is to have little extra stored grocery than usual in storing that the restaurant should not go out of ingredients used in their meals.

By making sure that everything is going according to the new pandemic protocols will let the restaurant away from virus and the business will keep ongoing as usual but if the protocols are not followed and the restaurant get infected then it will affect the record of the restaurant even when this pandemic is over.

-Make the following strategies for your restaurant business corporate strategy,

Business Strategy, Low-Cost Strategy, Functional Strategies. (5 Marks)

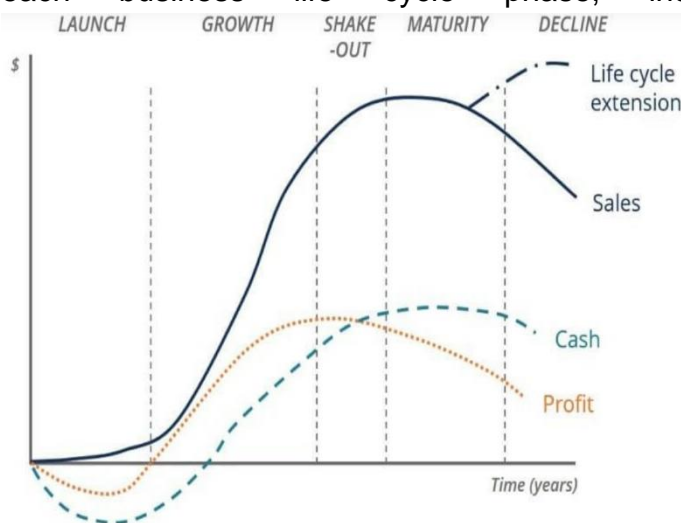
Ans: Business Strategy: Business level strategy describes the strategic planning and implementation activities that occur in order to set and steer direction for an individual business unit such as restaurant in food service industry. The activities are that generally include how to gain competitive advantage and create customer value in the pandemic the restaurant unit operates in. As a result, organizations with only one distinct business will often combine business strategy with corporate strategy as a single strategy level. business level strategy sets the direction and actions for a distinctive business within the food service industry.

Low-cost Strategy: The Restaurant that follows this strategy intends to become the overall low-cost provider in the food service industry at this time of pandemic in which the company operates its business. A Restaurant strategy of selling its meals at a price lower than its competitors is known as a cost leadership strategy. The emphasis is placed on the production of standardized menu at a low per-unit cost for price-sensitive customers. Charging lower price becomes possible when the Restaurant can ensure post-reduction by operating business in a highly cost-effective manner. The strategic target of this strategy is a broad section of the market where the Restaurant offers economical prices the company emphasizes cost reduction without reducing quality at this harden pandemic time. The company intense to gain market share by underpricing the competitors.

Functional Strategies: Once you've created your business strategy in the restaurant, you'll need to cascade this down to your functional departments that is the manger the chiefs, security, cleaner etc, so they're able to create the functional level strategy. Your functional level strategy will start to address the specific actions that functional departments will take to achieve strategic objectives and projects in the business strategy.

-Explain the Stages in the life cycle of the restaurant during Covid -19. (10 Marks)

Ans: The business life cycle is the progression of a business in phases over time and is most commonly divided into five stages: launch, growth, shake-out, maturity, and decline. The cycle is shown on a graph with the horizontal axis as time and the vertical axis various financial metrics. we will use three financial metrics to describe the status of each business life cycle phase, including sales, profit, and cash flow.



Phase One: Launch: Each company begins its operations as a business and usually by launching new products or services, so the restaurant new service will be to advertise their precautions on social media and some good meals. During the launch phase, sales are low, but slowly (and hopefully steadily) increasing. Businesses focus on marketing to their target consumer segments by advertising their comparative advantages and value propositions. However, as revenue is low and initial startup costs are high, businesses are prone to incur losses in this phase.

Phase Two: Growth: In the growth phase, companies experience rapid sales growth. As sales increase rapidly, businesses start seeing profit once they pass the break-even point. However, as the profit cycle still lags behind the sales cycle, the profit level is not as high as sales. Finally, the cash flow during the growth phase becomes positive, representing an excess cash inflow.

Phase Three: Shake-out: During the shake-out phase, sales continue to increase, but at a slower rate, usually due to either approaching market saturation or the entry of new competitors in the market. Sales peak during the shake-out phase. Although sales continue to increase, profit starts to decrease in the shake-out phase. This growth in sales and decline in profit represents a significant increase in costs. Lastly, cash flow increases and exceeds profit.

Phase Four: Maturity: When the business matures, sales begin to slowly decrease. Profit margins get thinner, while cash flow stays relatively stagnant. As firms approach maturity, major capital spending is largely behind the business, and therefore cash generation is higher than the profit on the income statement.

However, it's important to note that many businesses extend their business life cycle during this phase by reinventing themselves and investing in new technologies and emerging markets. This allows for companies to reposition themselves in their dynamic industries, and hence refresh their growth in the marketplace.

Phase Five: Decline: In the final stage of the business life cycle, sales, profit, and cash flow all decline. During this phase, companies accept their failure to extend their business life cycle by adapting to the changing business environment. Firms lose their competitive advantage and finally exit the market.

