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Principal of Management

Question:1

Ans: Amidst the pandemic that is going on the whole world right now, many businesses have been hit very adversely owing to the lockdowns going on. These sorts of situations come as a challenge to managers in how to adapt to the new circumstances and still make sure that he can at-least earn enough to sustain the business. A manager's key role is to Plan, organize, lead and control. Now if we apply these key functions to the scenario given above then it would be as following:

1. Plan:

There should be a concrete plan on how to run the operations. Since dine in is closed and waiters are free and now helping in the kitchen, so the work force will be divided into 2. Each shift will work for 15 days and stay at the site for the staff to keep safe from getting COVID-19 and then the other shift will work the next 14 days and lodge on site. Only home delivery and take ways are to be given.

2. Organize:

For organization, the manager needs to arrange whatever mattress and pillows etc. are required for the staff to be able to stay on site for the night and be a comfortable working environment.

3. Lead:

A good manager always leads from the front. So, it is necessary that being the manager, he should stay on site with the team and make sure everything goes as per plans. It is very necessary to follow the directions of the government.

4. Control:

It is very important for the manger to be on site at all times and make sure everything goes as per directions and smoothly. Any guidelines violation could get the restaurant sealed and that is the worst that can happen. Loss of money, jobs and salaries of the poor staff.

Question:2

Ans: Externally environment in this pandemic is affecting the restaurant business adversely. Due to the lockdown in this situation, dine- in, which is the major source of earning has been shut down. Additionally, People are not allowed to move freely to even use the takeaway drive throu, so the sales are exceptionally low. Moreover, people are paranoid about eating form outside or even delivery in fear of catching the virus from the delivery boy, but everyone must make the most out of the situation. Restaurants will have to somehow sustain themselves by giving deliveries and take away and also advertise on social media how they are trying to follow the best hygiene practices in order to encourage people who are paranoid about taking delivery. PESTELG analysis can also be used to gauge these problems. I will only discuss the relevant out of PESTEL factors.

Economical:

Many people have lost their jobs and they have to survive on whatever savings they have so they would not be ordering from restaurants to keep their spending low.

Social:

The whole social distancing phenomenon is keeping people at home and reduced people's interaction, so people don't order or go to get a takeaway. So, it is also affecting the restaurants.

Legal:

Failing to comply with the government's guidelines could get the restaurant shut down and have legal consequences so legal issues are also prevalent.

Government:

Government problem is there due to the continuous lockdown and guidelines of the government which affect the drive thru and takeaways.

Question:3

Ans: Corporate strategy:

Corporate strategy is basically the goal of an organization at the highest hierarchical level. In today's situation, the main goal should be providing people safe and healthy food while following all the hygiene and corona guidelines.

Business strategy:

Business strategy is essentially the plan of action that is to be taken in order to operate the business. Hygiene is the key element right now so we will have to focus on marketing that we are following all the guidelines and our staff lives on site so there is no threat of them contracting COVID 19.

Low cost strategy:

Delivery and take away is always for quick and cheap food. So all the food options that were included due to the dine in experience shall be removed. Only simple to cook tasty food options should be provided and that too cheap in order for people to be able to afford even in the tough economic situation.

Functional plan:

Functional plan is the specific plan on how certain steps will be taken in order to achieve our set goals. Like in the case of my restaurant, the main objective is to sustain the business financially in this time of uncertainty and economic difficulty.

How we will do it is by keeping staff on site at all times and keep pushing delivery and take away orders.

Question:4

Ans: Introductory phase:

In the start, sales will be low and it will be almost impossible to sustain without additional funding or bearing loss

Growth:

After SOPs are enforced and things get a bit clear, people will find a safe way to get food from restaurants and that will pick up the sales a bit. Maybe enough to be able to meet the breakeven point financially.

Maturity:

Number of people ordering from restaurants will eventually stop increasing and the amount of business will be constant.

Decline:

After some time has passed on and the lock down is still enforced, many more people will lose their jobs and financial situation will worsen so ordering from outside will decrease and people will start eating at home and it is also a truth that people have a lot of time on their hands now and are cooking at home.

Question:5

Ans: The product life cycle of a restaurant during Covid-19. All new product and services follow the stages of product life cycle when introduced in the market. Marketers need to understand all these stages in order to come up with strategies that give them a competitive advantage over their rivals in the market.

Product life cycle of a restaurant:

Introduction:

It is the first stage of the product life cycle where the business product or service is new to the market and brand awareness or recognition is low. It is the most expensive stage of the product life cycle due to marketing and research costs that are incurred to raise brand awareness in the market. Marketers usually conduct market research about customers in the market and establish their needs and expectations that enable them to come up with products or services that satisfy consumer needs, wants, and expectations. Finally, marketers extensively invest in advertising and promotional campaigns to raise brand recognition in the market.

Growth:

At this stage, sales start to rise as the product or service has started to gain awareness in the market. There are no or fewer competitors in the market and business entities have to continue with advertising campaigns to remind and make customers know of their existence in the market. To achieve high revenue before competitors, saturate the market, business entities usually price their products at a high price to make profits during the short-run.

Maturity:

At this stage, the firm's product or service has built a reputation in the market and the main objective is to maintain the gained market share and reputation in the market. Rival firms enter the market hence attacking the firm to reduce its influence in the market. To maintain its market share, marketers modify their products to gain a competitive advantage over their competitors. At this stage, business entities still make a profit from their operations but they reduce or match their pricing decisions with those of competitors to reduce rivals' influence in the market.

Decline:

This is the last stage of the product life cycle where the market is saturated due to the entry of rival firms in the market. The sales of the firm diminish and they start to make losses from their activities. The main reasons why the market shrinks can be attributed to consumer saturation where all customers have already bought or consumed restaurant products or the effect of a substitute product that customers prefer against personal computers.