

Assignment

Description:

This assignment designed to give you the experience of investigating and recommending solutions to a business problem. Read the scenario (business problem) below and present solutions to managers within the client organisations. Write a clearly structured, well-argued and appropriately referenced report of 3000 words. You are expected to deal with complex issues faced by the owner, both systematically and creatively, make sound judgements in the absence of complete data, and communicate their conclusions clearly to specialist and non-specialist audiences.

Problem

In the heart of London's city centre, the popular SpiceSky restaurant prides itself on the quality and range of its Indian food since 1988. The restaurant has been recording a yearly increase in sales since its grand opening more than two decades earlier. The restaurant owner Ali Mahal, nevertheless, has invited your company to offer solutions to a gradual decline in sales that has been recorded the last 12 months. More specifically, Ali explained that sales, which have grown every year since he opened the restaurant, have actually dropped over the last twelve months. Yet, London's central restaurants, as well as the town's city centre have continued to prosper.

Moreover, to get a full picture, you have decided to visit the restaurant and investigate first-hand the experience of dining in SpiceSky.

Day 1: Lunch Time

You have visited SpiceSky and found yourselves over a table with vegetable samosa, pakora, chicken spring rolls, lamp tikka, tandoori chicken, and two bottles of Hadia beer. One of your colleagues, passionate with cold beer, immediately states: this beer is lovely; I think Hadia is a rice beer isn't it? Ali replied, "Ah, yes, it is created by mixing herbs with boiled rice and leaving the mixture to ferment for around a week. But, we had to remove that from our menu as we needed to reduce our costs. We serve instead English

beers. We save Hadia just for friends. Somehow, we had to reduce the costs and therefore we decided to remove some dishes and beverages.

After you finished with your dinner, you asked Ali explaining in more depth what he thinks has caused the sharp decline of sales.

Ali: Well, I have realized that all the downtown restaurants have dramatically increased their television advertising. "I've been using the same advertising for years: a few spots on local radio, an occasional newspaper spot, and a billboard on the main highway, 5 miles from the restaurant. When I see the fancy advertising run by my competitors, it is clear that I have an advertising problem. I want you to tell me what I can do to make my advertising more effective!" Once the interview is complete, you informed Ali that you will go back and prepare a proposal that will describe how he may be able to help SpiceSky get back on track.

Day 2: Later that day

Back in the office, you have started the examination of SpiceSky's reports. You began studying the advertising of both SpiceSky and its competitors. At some point, you identified that some of the neighborhood competitors, including a big chain Indian restaurants, have always had a large promotional budget, including television ads. The advertising deficit isn't new. He tries to identify all the things that have changed since SpiceSky's sales trends turned downward. Does Ali really have an advertising problem? Is it a problem with competitive positioning? Is it a problem with a change in the external operating environment? Has Ali just missed out on some growth opportunities? Then, just as hunger starts to set in, you remembered the vegetable samosa, pakora, lamp tikka, and tandoori chicken you had for lunch. Maybe your hunger has led to a discovery!

Day 2

One of your colleagues calls Ali for a follow-up interview. The dialogue is the following:

Colleagues: Ali, as you suggested, the downward sales began twelve months ago. Aside from the advertising you mentioned earlier, what other changes have occurred inside of your business within the past year?

Ali: Just a few things. Although sales are down, our profits haven't suffered very much. Since we hired a cost comptroller just over a year ago. We have effectively managed our costs by changing suppliers and dropping some of the more costly items from our menu.

Colleague: Such as changing the rice beer?

Ali: 'The Hadia that we served costs us almost 5 pounds per bottle. Customers don't like to pay more than 3 pounds per glass for a beer, so we were doing little more than breaking even on it. Besides, our competitors also serve English beers.

Colleague: Have you noticed changes in your customers?

Ali: Other than the fact that they are coining less often, no! They are the same faces that I have seen for years.

Colleague: Have the complaints or comments changed?

Ali: A few complained on removing an item or two from the menu. A couple about the Hadia change.

Colleague: Has there been a change in personnel?

Ali: Yes, we've had more than the usual share of turnover. I've turned over most personnel decisions to the controller. We've had trouble maintaining good kitchen help.

Colleague: Have you noticed any changes to the competitors that you have not already mentioned?

Ali: Most of the nearby places are doing the same things they have done for years. The chain Indian restaurants have the same promotions each year and their menu doesn't change very much.

Guidance:

Wordage: 3000

Use the Harvard Referencing System throughout the report.