

Student's Name

Professor's Name

Course Title

Date

Family Business

Background

The business of the family of Smiths will be under analysis in the present case study. They have owned a beach front cafe for 30 years. It has 3 main parts, a take away service, a sit down restaurant and an ice cream take away service. It is a landmark in the city, however, its style and decor relates to the 60's style, and is a bit shabby. Whilst it is open 365 days a year, its customer flow is seasonal. The restaurant and take-aways do business in winter, while ice cream sales drop. They occupy what is probably the best spot on the beachfront. In front of their cafe, they have a rotunda from which they sell candy, popcorn, t-shirts and assorted items like beach balls, buckets and spades, sun tan lotions and such.

Problems

Turnover in all sections except summer ice cream sales have steadily declined over the past 5 years. They now face closing this family business. A study was undertaken to see what had changed causing this drop. Numbers of visitors of the beach had increased, so the problem was not there. However, KFC had opened an outlet next door to them on the left. Their hours were from 8 am until 9 pm. On their left, a restaurant had also opened. This operate from 8 a.m. until 11 p.m. and cater to up-market clientele, with a full menu. Then on their right side, another restaurant had opened that traded from 8 a.m. Until 6 p.m. They served breakfasts and light lunches. It was clear that KFC was drawing off the take away customers, and the other two restaurants were drawing breakfast and lunchtime customers. As no one else sold ice cream, their sales were strong.

Solutions

To renovate the building was the first most obvious problem as the building looked old fashioned and shabby. The two primary reasons to renovate any building are to make it more attractive and comfortable and to improve its property value. This is also true of restaurants as the remount will increase their profits (The Building Innovations). This was accentuated by the new restaurants challenging the Smith family cafe.

A new theme and the name were chosen. The decor was of a totally different color and style. More space was added to the restaurant by altering the counter inside. The decor was attractive and expensive, giving an attractiveness that the other restaurants did not have.

Staff were given uniforms to wear.

The rotunda was removed completely and a modern sunroof put up giving shade, the tables and chairs were laid out giving a unique seating experience. Outside, yet under shade, the tables and chairs were almost on the beach.

Next, the menu needed to be reviewed. KFC were selling chicken and French fries, which the Smith family cafe also served. Since KFC served chicken – marinated, seasoned and slow grilled to juicy taste, the decision was to sell flame grilled chicken, and to advertise the health benefit (KFC Corporation). Takeaways included toasted sandwiches and hamburgers. The ice cream business was to be boosted with new flavors and packaging. Cones, sugar cones, and cups. All take away packaging was to be branded.

A quick survey found none of the restaurants had a decent coffee range. Basically, filter coffee was served. The Smith family cafe staff had a knowledge of coffee and installed a coffee machine. They offered a wide variety of coffees. A variety of breakfasts and light lunches were offered at competitive prices, and an experienced chef employed.

Works Cited

“Kentucky Grilled Chicken.” KFC Corporation, n.d. Web. 29 May, 2014.

<<http://www.kfc.com/food/chicken/ky-grilled.asp>>

“The Building Innovations.” Home Innovations, n.d. Web. 29 May, 2014.

<<http://hidc.com.au/exhibitors/jims-building-inspections/>>