

OXFORD CAMBRIDGE AND RSA EXAMINATIONS

LEVEL 4 CERTIFICATE IN MANAGEMENT CONSULTING 10331

UNIT 4 BUSINESS ENVIRONMENT

WEDNESDAY 17 JUNE 2015 9.30 AM

CASE STUDY

INSTRUCTIONS TO CANDIDATES

You should read this Case Study thoroughly and carefully in advance of the examination. You will have 30 minutes reading time. The examination will require you to refer to the content of the case study and your own knowledge.

OVERVIEW

Exclusive Gastronome Limited (*EGL*) is a UK-based prestigious restaurant business which has the following structure.

Exclusive Gastronome Limited's organisational structure

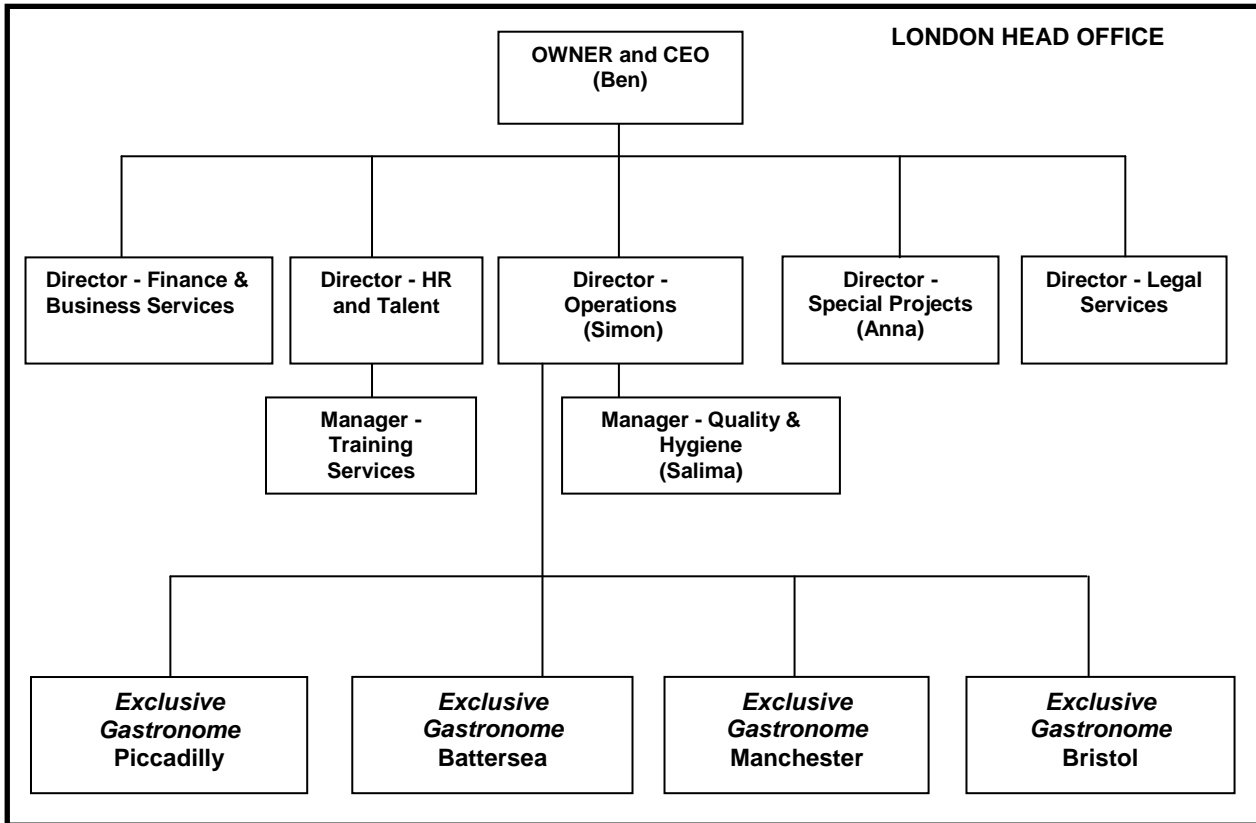


Fig. 1

Following a recent strategy meeting the Board of *EGL* has decided to embark on an ambitious expansion plan. The intention will be to consolidate its current strengths as a chain of prestigious restaurants and expand its operations in Western Europe within the next two years.

EGL's three key strategic aims are as follows:

1. to consolidate its current UK market position as an innovative, exclusive and successful restaurant brand
2. to establish itself as a restaurant brand of choice for the provision of consistently high quality authentic cuisine and front-of-house services to discerning diners
3. to expand its operations into two major European cities.

In order to facilitate these aims, *EGL* has commissioned the following projects:

- a) to increase the current Michelin Star rating for each of its restaurants from two¹ to three² within the next 12 months
- b) to establish its first European restaurant in Paris within the next 18 months
- c) to refurbish its current UK-based restaurants within the next six months.

EGL's owner and CEO, Ben, is a hard task-master and actively encourages competition between the four restaurant outlets. He is passionate about the training of his staff at all levels and especially those in front-of-house roles. At the same time, when it comes to food quality, preparation and hygiene, he is absolutely ruthless in ensuring that high standards are consistently met. Ben's philosophy of 'seamless diner services' is critical to the way in which the restaurant outlets operate. This translates into an optimal diner-to-waiter ratio of ten-to-one and an efficient electronic point-of-sale system.

The restaurant industry is regulated by the UK Food Standards Agency and other organisations. One of *EGL*'s key activities, therefore, is the stringent internal quality control and hygiene audits undertaken at each of its restaurants. These audits are undertaken randomly about four times a year. Particulars such as the audit date, time and the restaurant to be audited are decided by Ben, Simon and Salima and are never disclosed to the other directors and managers. This secrecy is a recurring source of tension and fear amongst the staff.

The ambition to go ahead with the expansion plan is primarily based on the increased consumer confidence resulting from the UK economy's emergence from recession. But, additionally, it has also been identified that discerning diners are willing to pay premium prices for food which is nutritious, locally sourced and prepared with minimal waste of ingredients. For the discerning diner, authentic food at premium prices is to be enjoyed, but along with this should come the satisfaction which results from careful, responsible choices. As a demonstration of real commitment to this ideal, *EGL*'s restaurants in Piccadilly and Battersea are committed members of the Mayor of London's Food Save Scheme which is aimed at reducing the 23 tonnes of food wasted each year in the capital's restaurant industry. Over the past year *EGL* has made some savings on food which would otherwise have been wasted at these two restaurants.

Anna is excited at the challenge of increasing *EGL*'s Michelin Star ratings. She sees the menu not only as central to achieving this objective, but also as a visible symbol of *EGL*'s vision for the future, its values and beliefs. Along with Simon, Anna knows that competitive pressures in the industry dictate menu design. They are also aware that a good menu should balance the perception of sufficient choice for diners without appearing to overwhelm them with too much diversity. In turn, this requires a complex network of ingredient suppliers to be in place.

EGL currently has around 100 dining tables at each restaurant. While the Piccadilly, Battersea and Manchester restaurants operate close to optimal capacity, the Bristol restaurant operates significantly below optimal capacity. The menu mix of seven different starter dishes, seven different dessert dishes, and ten different main courses used across the restaurants has contributed to the Michelin Star status of each restaurant.

The current Michelin Two Star ratings are a real strength of *EGL*, especially in terms of its brand and the significant 'diner traffic' flowing through its four existing restaurants. The prospect of achieving Michelin Three Star ratings would elevate *EGL* as an outstanding and highly sought after destination for diners. It would also contribute significantly to the probability of achieving a successful launch of the proposed restaurant in Paris.

EGL is a flourishing business and it has the clear vision, objectives and strategy needed to sustain its position. However, the much lower capacity utilisation at the Bristol restaurant, coupled with the poor result of its recent quality and hygiene audit, is a cause for concern.

Notes:

- 1) Michelin Two Star rating: a restaurant worth a detour, indicating excellent cuisine and skilfully and carefully crafted dishes of outstanding quality.
- 2) Michelin Three Star rating: a restaurant worth a special journey, indicating exceptional cuisine where diners eat extremely well, often superbly. Distinctive dishes are precisely executed, using superlative ingredients. A Michelin Three Star rating is the highest which can be awarded.

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