Operations Management Case Analysis:
Hard Rock Café

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Presentation Overview

- Chapter 1 Overview
- Hard Rock Café Case Study Video
- Chapter 1 Compared to Hard Rock Café
- What Should Hard Rock Café Do?
- Group Activity
What is Operations Management?

Operations Management
Activities that relate to the creation of goods and services through the transformation of inputs to outputs

Essential Functions to Produce Goods & Services:
- Marketing
- Production/Operations
- Finance
What do Operations Managers do?

• Operations managers:
  • Plan
  • Organize
  • Staff
  • Lead
  • Control
10 Major Decisions of OM

1. Design of Goods and Services
2. Managing Quality
3. Process and Capacity Design
4. Location Strategy
5. Layout Strategy
6. Human Resources and Job Design
7. Supply-Chain Management
8. Inventory Management
9. Scheduling
10. Maintenance
Challenges Operations Managers Face:

**Past**
- Local/National Focus
- Lengthy Product Development
- Little Concern for Environment
- Low-Cost Standard Products
- Low-Bid Purchasing
- Large Lot Production

**Present**
- Global Focus
- Rapid Product Development
- Environmentally Sensitive Production
- Mass Customization
- Supply-Chain Partnering, Joint Ventures
- Just-in-Time Performance
Productivity

- Productivity is the ratio of outputs (goods and services) divided by inputs (resources such as labor and capital)

Productivity = \frac{\text{Units produced}}{\text{Input used}}

- When calculating productivity, quality may change due to external elements or a lack of exact measurement units

- Service productivity is also difficult to measure each experience is unique and provides no tangible data.
Products vs. Services

• A product is a tangible object
  Examples: Clothing, Equipment, Food, Shoes, Vehicles, Electronics

• A service is an intangible product
  Examples: Restaurant, Education, Entertainment, Lodging, Health Services
Hard Rock Café History

- Opened in 1971 by Isaac Tigrett and Peter Morton
  - American style diner in London
- Live Music
- Clothing/Merchandise
- 60,000 Memorabilia Pieces Circulate Restaurants
- 1982 first US café – today over 175 locations in 55 countries
- 1995 First Hard Rock Hotel and Casino Las Vegas, NV
- 2010 First All-Inclusive Resort
Hard Rock Strategy

- Café Restaurant → Food w/ Entertainment → Food w/ Experience
- Operations Managers work to Provide Unique Experience
- 10 Management Decision Strategies
- Watch Which Markets to Expand into
- Layout of Restaurant Maximizes Revenue
Chapter 1 & Hard Rock Café

• Products
  • Food
  • Clothing
  • Jewelry
  • Watches
  • Glassware
  • Pins

• Service
  • Enthusiastic Wait Staff
  • Chefs
  • Entertainment
  • Overall Experience
Chapter 1 & Hard Rock Café

Hard Rock Managers
- Plan Strategic Pathways to Exploit Merchandise
- Organize Experience Strategy
- Staff and Schedule based on sales forecasting and trends
- Lead Staff
- Control Day to Day Operations
Hard Rock Productivity

• Order Placement to Table Time
  • Creates Efficiency

• # of Specific App/Entrée/Dessert Sold
  • Creates Motivation

• Table Turnover Rate
  • Creates Focus

• Customer Satisfaction
  • Creates Excellent Reputation/ROG

• Yearly/Weekly Trends Monitored
  • Creates Hard Data
Hard Rock Today

• Over 175 Restaurants, 55 Countries
• 2 Concert Venues
• 19 Hotels (6 Coming Soon)
  • 8 Casinos
  • 4 All-Inclusive Resorts
  • Business Meeting Space
  • Spas

• http://memorabilia.hardrock.com/
• http://www.hardrock.com/locations.aspx?view=2&viewall=1
• New Menu Released March 2014

• Still Offer Survey on Bottom of Receipt
  • https://www.hardrocksurvey.com/

• “Love All Serve All” Mission
  • Take Time to Be Kind (Humanitarian)
  • Save the Planet (Environmental)
  • All is One (Entertainment Industry)
What Hard Rock Should Do…

- Only Build Cafés, Hotels, Casinos
  - Failed Amusement Park 2009

- Continue Unique Experience

- Keep Up with Current Trends
### Weekly Sales Report by Category

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<th>Guest Count</th>
<th>$ Sales</th>
<th>$ PPA</th>
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<th>$ Alcohol</th>
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Works Cited

- https://rockshop.hardrock.com/Mens/Departments/Tops/product/HRO_Mens_LoveAllServeAll_Classic_T_White/ (pic)
- https://www.myamcat.com/aspiration/featured_module/featured_module_operations.php (pic)