Strategic Plan Part 1: McDonald’s New Product and Service

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Every day more fast food companies are advancing to meet current customer demands and adopting more agile business processes. While other businesses are expanding to provide more products and services to remain competitive in this aggressive environment, others are looking toward innovative technologies to help companies be more productive, cost efficient, and profitable with the outcome of satisfying stakeholders, and customer needs. In this plan, I will encapsulate a new division of McDonald’s that would implement a new and innovative strategy to provide food products and services to customers. A division that would address customer needs and achieve competitive advantages over other competitors. Also, I will describe a vision and a business model that will clearly demonstrate the business’s impactful future. Additionally, I will explain how the vision, mission, and the value of the new division aligns with the Walmart’s core values and objectives. I will summarize how the new division makes precise decisions based on relevant marketing data and modern demographic profiles, all and all in god we trust, everyone else bring the data. I will also define the guiding principles and values under the framework of culture, social impact, and ethics.

**Propose a new product or service for the new company division. The division should be customer-focused with an innovative mission statement. Ensure that you are differentiating your product or service.**

The costs of doing business is increasing, as well as the demands of the customer. Customer response time expectations are at an all-time high, companies like Amazon are paving the way for quicker product delivery, which in turn is culturing customer expectations. These newly established expectation is translating across a myriad of industries, including the fast food market. These demands are increasing competitiveness in the market space. McDonalds is looking into other additional methods of operating that would add value to its businesses and to help the company to continue to exceed it’s mission and vision. Within the next 2 years, the company is planning to expand it’s menu’s and capabilities. The unique details about this new venture compared to other fast food restaurants is the use of automation and robotics to manage and operate food production facilities as well as engage customers through automated conversational commerce. The use of robotics and automation will save the corporation big money and raise the bar for customer expectation. In a study, Liddle (2005) indicated that a robotic store employee, “HyperActive Bob” was tested in a few different restaurants and was successful in operations and keeping up the restaurant’s demands.

**Describe how the division addresses customer needs and achieves competitive advantage.**

The adoption of automation will provide the same low price, quality food for its customers by capitalizing on the efficiency and precision of robotics. In turn customers will experience massive reductions on wait times for food product. Engaging in automation will allow the customer to create their own meal on request, with reduced service times. This will greatly improve the guest’s experience. Utilizing an automated workforce will reduce the costs of a traditional employee, improve food safety standards, and increase the quality of production.

**Create a vision and a business model for this new division that clearly demonstrates your decision on what you want your business to become in the future.**

The vision of this strategy is to adopt innovation using emerging technologies that allows the company to provide its best quality food at a lower cost.

The model of this new business division will be a part of McDonald’s fast food restaurants. The menu will include traditional McDonald’s cuisine along with unique geographic locations and custom made food products using a variety of available ingredients assembled by the robotic kitchen staff. We want to gamify the customer experience.

The automated tasks will include providing how much food to cook based on forecasting. This technology will also monitor inventory to ensure food ration logistics are addressed.

**Explain how the vision, mission, and value of the new division align with the company's mission and vision.**

**Vision and Mission**

The vision and mission of this new division are consistent with McDonald’s mission and vision statement. The vision of this division is to innovate the fast food industry will the use of robotic automation. Customer response time expectation falls below 60 seconds, robotic automation allows McDonalds to meet these challenging demands. This level of innovation will garner mass media coverage, which in turn will attract new influencer networks and increase McDonald’s credibility and trust economy. Customers will engage with automated conversational bots, allowing for McDonald’s to innovate conversational commerce. The mission is to utilize new emerging technologies allowing the company to cut operating cost, increase operating speed and improve the customer experience like we’ve never seen.

**Value of the New Division**

Robotic Instillation fee is only $4200, and additional software is anywhere from $1500 to $3000 per system. The delta between a traditional McDonald’s crew employee and a robot is about $12,000, the delta between a McDonald’s shift manager and an automated robot is about $17,000. Calculating that on average a single McDonald’s restaurant employees 15 – 20 employees, 3 – 4 are Shift Managers, with 2 being apart of General Management, leaving 9 -14 crew employees. That averages $464,596, McDonald’s $388,000 cost reduction per McDonald’s store. Customer needs being met and exceeding drives customer loyalty. Loyalty increase customer engagement, McDonald’s being an affordable outlet for food helps increase the Customer confidence index(CCI), which allows for more purchasing power in the current economy.

**Summarize how the vision, mission, and values guide the division's strategic direction**.

The vision, mission, and value statement are guidelines in which the division will operate. The strategic plan is to streamline food processing and continue to improve efficiency. Utilizing robotic automation will help the company capitalize on the benefits of robotic productivity. The technology creates food from scratch more efficiently than a human could ever perform (Dorrier, 2014). This strategic direction would enable the company to continue to meet the vision by providing cost effective solutions and a customer experience that exceeds competitors.

**Define your guiding principles and values for your division in the context of culture, social responsibility, and ethics.**

Technology plays a big part of our changing company culture, ethics and social impact. For a company to be successful in this competitive market, it must capitalize on new emerging technologies as well as adapt to the rapidly changing social behaviors. In this process, a company should align its guiding principle with the set culture relating to it’s target demographic.

**Culture**

The cultural foundation for this new division is teamwork and customer service. There is no “I” in this working environment, and the customer is always right. We will work together as a team to ensure that we provide fresh quality products and the best customer service that meets the needs of our clients. There will be an open door policy to allow employees to share their concern and joy at any time. Additionally, there will be respect for one another and our customers. New ideas are always welcome for discussion. In the cultural environment where human and machine will be working together in a different atmosphere than the traditional human environment. Robotic automation has programs to adapt to any circumstance challenging or not, that they may encounter. Employees will learn the capabilities and limitations from it’s robotic counterparts. This will allow a more effective work environment.

**Social Impact**

Using the technological innovation provides faster product distribution that meets the demands of the modern customer. Customer experience as they engage with conversational commerce is wildly innovative and consistent with the mission and vision of the company. McDonald’s wants to meet the needs of a wider demographic.

**Ethics**

Ethics is the foundation of how we conduct our business. It is the responsibility of each employee to carry his or herself in a manner that would promote honesty, integrity, and loyalty to the company, customers and one another. It is the responsibility of each employee to act and conduct him or her in an ethical and moral manner.

**Conclusion**

In this proposal I have covered, the expansion of a new division that takes advantage of improved services, and technology. This division will reduce operational cost and increase product delivery addressing customer response time expectations of new age customer. and will This target needs will achieve competitive advantages over its competitors. I also described the vision, business model and what the business would achieve in the future. Additionally, I explained how the new department’s vision, mission, and value are in line with the McDonald’s mission and vision. I described how robotic automation would benefit the company that keeps consistent with its vision, mission and value. Lastly, I defined the guiding principles and values under the framework of culture, social responsibility, and ethics.

**References**

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