Review of lecture 1

Case Study

Read the case “Hard Rock Café: Operations Management in Services

In its 45 years of existence, Hard Rock has grown from a modest London pub to a global power managing 150 cafes, 13 hotels/casinos, and live music venues. This puts Hard Rock firmly in the service industry – a sector that employs over 75% of the people in the US Hard Rock moved its world headquarters to Orlando, Florida, in 1988 and has expanded to more than 40 locations throughout the U.S., serving over 100,000 meals each day. Hard Rock chefs are modifying the menu from classic American – burgers and chicken wings – to a include higher-end items such as stuffed weal chops and lobster tails. Just as taste in music changes over time, so does Hard Rock Café, with new menus, layouts, memorabilia, services and strategies.

At Orlando’s Universal Studios, a traditional tourist destination, Hard Rock Cafes serves over 3.500 meals each day. The café employs about 400 people. Most are employed in the restaurant, but some work in the retail shop. Retail is now a standard and increasingly prominent feature in Hard Rock Cafes (since close to 48% of revenue comes from this source). Café employees include kitchen and wait staff, hostesses, and bartenders. Hard Rock employees are not only competent in their job skills but are also passionate about music, and have engaging personalities. Café staff is scheduled down to 15-minutes intervals to meet seasonal and daily demand changes in the tourist environment of Orlando. Surveys are done on a regular basis to evaluate quality of food and service at the café. Scores are rated on a 1 to 7 scale, and if the score is not a 7, the food or service is a failure.

Hard Rock is adding a new emphasis on live music and is redesigning its restaurants to accommodate the changing tastes. Since Eric Clapton hung his guitar on the wall to mark his favourite bar stool. Hard Rock has become the world’s leading collector and exhibitor of rock ‘n’ roll memorabilia, with changing exhibits at its cafes throughout the world. The collection includes 70,000 pieces, valued at $40 million. In keeping with the times, Hard Rock also maintains a Web site, www.hardrock.com, which receives over 100,000 hits per week, and a weekly cable television programme on VH-1. Hard Rock’s brand recognition, at 92%, is one of the highest in the world.

Self-Check Questions

1. From your knowledge of restaurants, from the video, from the Global Company Profile that opens this chapter, and from the case itself, identify how each of the 10 decisions of operations management is applied at Hard Rock Café.
2. How would you determine the productivity of the kitchen staff and wait staff at Hard Rock?
3. How are the 10 OM strategic decisions different when applied to the operations manager of a service operation such as Hard Rock versus an automobile company such as Ford Motor Company?