

## Systems and Processes

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*"In order for any business to succeed, it must first become a system so that the business functions exactly the same way every time down to the last detail"*

Rick Harshaw, CEO, y2marketing.

The “*Production-Line Approach to Service*” ought to be required reading for owners and operators of hospitality businesses. All HTM students should have to read it too. In this article Theodore Levitt, a noted Harvard economist, challenges service providers to think like manufacturers. He uses McDonald’s to illustrate his point. In particular Levitt asserts that the success of McDonalds has been due in (great) measure to their systems and procedures; he writes:

*The entire system is engineered and executed according to a tight technological discipline that ensures fast, clean, reliable service...*

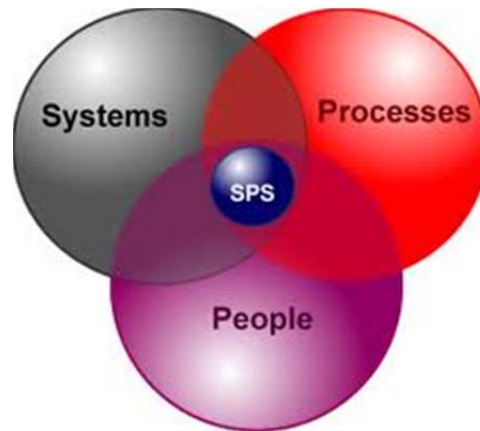
Hospitality businesses can be likened to systems in that they are organized, purposeful organizations consisting of interrelated and interdependent parts. Their mission statements identify the purpose; their departments and functional areas the parts. Let’s look at Hyatt Hotels as an example. Its mission is “*to provide authentic hospitality by making a difference in the lives of the people we touch every day. We focus on this mission in pursuit of our goal of becoming the most preferred brand in each segment that we serve for our associates, guests, and owners. We support our mission and goal by adhering to a set of core values that characterizes our culture.*” To be sure in a business as wide-ranging as Hyatt there are a number of sub-systems or parts that support the whole: check-in/check-out, housekeeping, and room service to name a few.

Intuitively most of us understand a *process* to be a *procedure* or *event* with the purpose of reaching a goal. Operational processes and procedures are developed to sustain a system. In a hotel the goal of “check-in” is to provide professional, efficient and friendly service and make the guest feel welcome. To achieve this goal, the process entails

- Acknowledging guests promptly upon arrival and always offering them a warm welcome
- Making good eye contact with them and smiling
- Asking guests how they can assist them and checking that their reservation details are in the system.
- Confirming the details of their stay back to the guests to ensure accuracy.
- Explaining the hotel facilities to guests when offering the key card to them
- Ending every check-in by providing the name of a contact point during their stay and wishing them a pleasant stay

Similarly in restaurants there should be processes in the front-of-the-house so that: customers are seated and greeted promptly, food and beverage orders are taken properly, the food is served appropriately, etc. Also, there should be processes in the back-of-the-house so that the kitchen operates efficiently and customers receive

appealing food in a timely fashion. Further, there should be processes in place for enabling the front of the house to communicate effectively with the back of the house in order to provide an optimum dining experience. Every operational function of the restaurant needs to be analyzed including Procurement, Production, Distribution and Service, Safety, Sanitation and Maintenance. Once these sub-systems are examined for effectiveness, they should become part of the restaurant's operations & procedures manual.



In Leavitt's words the systems and processes "*ensure fast, clean, reliable service.*" Moreover, it is important for businesses to have systems and processes to:

- ensure that staff understand how things work
- eliminate duplication
- reduce the learning process for new staff
- increase efficiency and eliminate wastage
- make information readily accessible
- add value to your business
- engender an open and transparent workplace.

How does this affect what we do at Purdue and in HTM? The curriculum is one of the most important features of any program or department. It is defined and differentiated by the coursework that comprise it. It is not a set of distinct/disjoint courses loosely held together in name only. Rather the coursework should be cohesive in that it defines an area of expertise or a discipline. Also, it should be arranged appropriately, and lead to proficiency. In some sense its merit can be measured by its relevance – i.e. modern and up-to-date. This is especially important in disciplines that ostensibly prepare students for professional careers – like HTM.

Our mission in HTM includes preparing future leaders for the many challenges they will encounter. Most graduates initially start in operations. Rarely are procedures and processes isolated phenomena – rather they are part of the whole. Our job includes

helping students understand the whole and how the processes and procedures support it. If they understand the systems and processes, they will have a leg up. They will be ready for the many challenges that lie ahead. .

**Systems thinking** is the process of understanding how things influence one another within a whole. Through systems and processes McDonald's has taken much of the guess work *of producing consistent, profitable & high-quality results each time*. In effect they manage quality through the systems and processes they have developed and implemented, and to a great extent ensure the physical product and service meets or exceeds the guest's expectations.

*Most companies have good people. The companies that win over the long term have the best processes.*

Peter Drucker