

# Management and Organizational Process Reengineered: The Research and Development of Managing Rits Tapsi House

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**Abstract-** *Ritz Tapsi House engages in eatery business specializing in made to order dishes. Currently it has two branches, the main is located at San Fernando and another in Angeles City. Since it is strategically located in a place surrounded by different establishments, it usually caters the cravings of employees and students nearby. One of the client's assets is his flexible workforce who can do a wide variety of job evident by their current operating system. However, since the customers are arriving simultaneously, the workers cannot accommodate them all leading to dissatisfied customers. The client has currently 5 workers and they are expected to do all of the job required depending upon the situation. Consequently, each order is usually prepared 5 to 15 minutes depending upon the complexity of the dishes. Under the current system, their operating characteristics are per the Waiting Line Model are 2 orders are waiting and they are usually on queue for 20 minutes before they can be prepared and will take an additional 10 minutes before they are served to the customer. To solve this issue and improve the client's operation, the engagement team conducted a business process reengineering by modifying the current system in such a manner that solves its glitches. Based on the interviews, it is the lack of job description that has been causing the ineffectiveness. Therefore, it is addressed by modifying the organizational chart and provision of description for each employee. Under new process, the employees are assigned as general manager, receptionist, kitchen head, kitchen staff and server. Under the new system, the operating characteristics are per the same model are there are approximately 3 orders in the system, the*

*orders will wait for 3.60 minutes and will wait for additional 4 minutes to be served.*

**Indexed Terms-** *Leadership, Tapsi House, Waiting Line Model, Reengineer.*

## I. INTRODUCTION

Carinderia Business is widely known as a second kitchen away from home. It is a local eatery where affordable food is served for different types of consumers and many eateries can be found almost everywhere. From streets near home, school and near large establishments. They are usually established to make customers such as workers, families and students feel like they are home. The fact that Filipinos are known for their love for food also adds up to the reasons why having a carinderia business is a big hit. In line with this, it is not surprising that Maximo Ong, owner of Ritz Tapsi House, thought of having such business.

Ritz Tapsi House is an eatery which serves different types of dishes but focuses on silog dishes. It is also very famous for its wide range of dishes which are categorized into vegetables, meat and fish that fits everyone's budget. Their main branch is located in San Fernando, Pampanga, standing across a jeepney terminal along the highway, surrounded by other business establishments and dormitories. This is why its loyal customers are normally workers/employees working near the vicinity and students who live nearby. It has another branch located in Angeles City, Pampanga. Its operation starts at eight o'clock in the

morning to twelve midnight but its busiest hours are from six o'clock in the evening onwards.

The main problem of Ritz Tapsi House is their ineffective existing system of operation due to the management leadership which leads to inefficiency among the workers and dissatisfaction among several customers. The aspect of the current system that imposes the greatest challenge is the lack of duties segregation and counterproductive way of recording orders. Having a flexible workforce is good as long as they are able to cater their customers effectively. In case of voluminous orders, the decentralization coupled with ineffectual means of recording will lead to confusion, then longer waiting time for the customers, and ultimately dissatisfaction. Redoing orders will also incur additional costs in terms of material

## II. CASE EVALUATION

The team conducted an on-site visit at Ritz Tapsi House's San Fernando Branch to determine the problem/s currently faced by the company and to observe how the eatery operates. The existing system of Ritz causes confusion in the ordering system. The whole operation is flexible to the extent that everyone can do other tasks aside from theirs. It could be helpful but without proper supervision it could slow down operation. This is how their operation works, the customers will go to the reception area and the receptionist will get their order. After getting the orders, the receptionist will go to the kitchen and give the orders to the cook or whoever employee is available there. There is no identified job description for each employee. If there is no available employee, the receptionist can also be the one to cook. After preparing the orders, they will serve it by remembering who ordered such without giving tag or number for accuracy of orders.

The team observed that this kind of system is susceptible to human errors and can result in customer dissatisfaction. In normal business hours, there are no problems but marks six o'clock, this comes the problem because there are so many customers that they are often confused towards the orders.

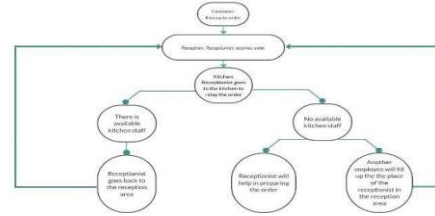


Figure 1: Existing System of Ritz Tapsi House

The existing system of Ritz causes confusion in the ordering system. As a result of the observation and also stated by the manager at the interview, they notice that the existing system causes customer dissatisfaction especially when orders get swapped. There is no way to assure the accuracy of orders per customer, the employees depend on how they remember who placed such order. In the normal business hours, there is usually no problem because there are less customers to monitor but when the busiest hours come, the system causes problems on the operations.

Using the Waiting Line Model, wherein each employee is assumed to be a single channel and they have the same level of skills, the team has computed the following:

Arrival Rate (Order per Minute)	0.07
Service Rate (Order per Minute)	0.10
Probability that no orders are in the system	0.33
Average number of orders in waiting line	1.33
Average number of orders in the system	2.00
Average time an order spends in the waiting line	20.00
Average time an order spends in the system	30.00
Probability an arriving order has to wait	0.67

Table 1: Operating Characteristics as per Waiting Line Model

The arrival rate is computed by dividing the total number of orders by the 5 employees same with the service rate. Based on the calculated data, on an average 2 orders are waiting and they are usually on queue for 20 minutes before they can be prepared and will take an additional 10 minutes before they are served to the customer.

### III. PROPOSED SOLUTION

It's the radical reconsideration of a business process to achieve dramatic improvement in cost, quality, service and speed performance. Business process reengineering is the analysis and redesign of company processes (Veyrat, 2015). The engagement team designed a proper task segregation for the employees for better oversight and to improve efficiency. It is better if one person is assigned only on a specific task than handle multiple tasks that might lead to confusion and error. Completely redesigning the process on how the delivery of products work for a certain eatery can give the business unexpected results. In this type of eatery, the process goes like all others, the customer orders, the order goes to the kitchen, which prepares the meal and then delivers to the consumer. The existing ordering process can be improved by designating specific tasks to employees for better management and this could also utilize and maximize their manpower, given that they consist of six employees. This is a complete change in the process resulting in greater control, fewer accidents, greater employee satisfaction, and increased ability to focus on customer needs, all without losing quality.



Figure 2: Proposed Organizational Structure

#### Role Description:

- General manager plays a key role in every restaurant/eatery. She is responsible for almost everything in the operation. She is mostly responsible in overseeing general restaurant activities. She may also help to set menu prices and purchase supplies. Laarni Viray is the General Manager even in the existing system, she knows how the business works and trusted by the owner.

- Office Manager is mostly responsible for inventory at the end of the day and keeps record on the revenue made by the eatery for a certain day. Her responsibility is mostly clerical work. Ritz Ong is
- the office manager even in the existing system, she is the daughter or the owner therefore she is trusted for this particular responsibility.
- Cashier/Receptionist is the one who accepts the orders, accepts the payment and transfer the orders to the kitchen. Cashiers must accurately record a customer's order and handle cash to process the transaction. Khaycee Madarang is best suited for this role because she has a bubbly personality, she is approachable and has great communication skills.
- Kitchen Manager is the one who manages the back-of-house operations. In this kind of eatery, she will also be the cook and will be responsible for the orders and make sure that the food quality they serve is at its best for the customers' satisfaction. Jennifer Viray is the one responsible for this because she is already used to the kitchen and mostly do kitchen responsibilities even in the existing system.
- Kitchen Staff works with the kitchen manager, she is mostly responsible for dishwashing and making sure that the kitchen manager has the essential ingredients and supplies she needs to work properly for the preparation of food. Mary Rose Sumagui is assigned for this particular job because she works best at the kitchen and used to move quickly. She has harmonious work relationship with the Kitchen Manager.
- Server/Host is responsible for delivering the food to the customers. He is also responsible for welcoming, greeting the customers and making sure that they are comfortable. They must smile and greet customers, then take them to their seats to make sure that everyone will be accommodated at a certain extent. Melvin Tagle is the one responsible for this because this requires a person to move quickly from customer to customer and he is more physically fit for this type of job.

The proposed system is as follows. The customer will go to the reception area and the receptionist will get the order and give him/her the corresponding order number. After getting the order, the receptionist will transfer the order to the kitchen staff and return to the reception area. The kitchen staff will prepare the

order and the service crew will serve the order thereafter. After dining in, the customer will go to the counter to pay. The employees will have their fixed task in the proposed system that will lead to a more organized way of serving the customers while also maximize the employees' capabilities.

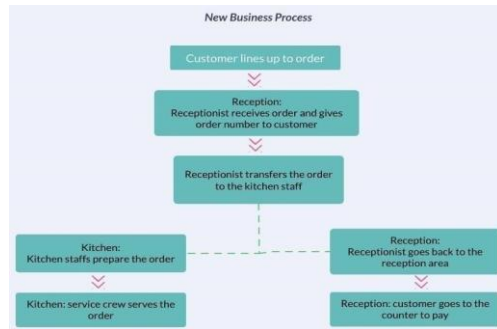


Figure 3: Proposed System for Ritz Tapsi House

The arrival rate is computed by dividing the total number of orders for an hour which is 20 by 60 minutes. Same with the service rate wherein each channel is able to provide 15 orders per hour.

	Old System	New System	Net Effect
Probability that no orders are in the system	0.33	0.06	-0.28
Average number of orders in waiting line	1.33	1.20	0.13
Average number of orders in the system	2.00	2.53	-0.53
Average time an order spends in the waiting line	20.00	3.60	16.40
Average time an order spends in the system	30.00	7.60	22.40
Probability an arriving order has to wait	0.67	0.15	0.52

Table 2: Comparison of Operating Characteristics as per Waiting Line Model between the Old System and Proposed System

Under the new system, the average number of orders on queue is decreased by .13 minute, the average number of orders in the system also increased by .53 order; the waiting time per order is decreased by 16.40 minutes; the preparation of order is decreased

by 22.40 minutes; and the probability of orders waiting is decreased by 52%.

The shorter the order is on the system, the shorter is the waiting of the customers.

## CONCLUSION

Under the current system of Ritz' Tapsi House, each employee is expected to do all of the tasks whenever necessary, this type of system is usually inefficient and leads to customer dissatisfaction. With the implementation of process reengineering, the waiting time of customers is decreased by 74.67%.

The lack of duties segregation and formal job description of the client results to ineffective and inefficient way of using resources. Orders are sometimes swapped because there is no one is assigned in remembering which order is for whom which usually led to reworking of order, incurrence of additional cost and dissatisfaction among the customers. Preparation of similar orders simultaneously can decrease the cost of preparation, however under the current system this is seldomly apply.

These issues have been addressed in the reengineered process wherein job descriptions have been provided which will lead to a more effective operation. Consequently, the efficiency will lead to customer satisfaction, recurrence of sale and profitability.

## RECOMMENDATION

The main problem of Ritz' Tapsi House is their ineffective existing system of operation which leads to inefficiency among the workers and dissatisfaction among several customers. Since the company does not have a formal organizational structure, the consulting team proposed a formal organizational structure that would help in the efficiency of their operation.

From an unorganized organizational structure to a formal organizational structure, the business will benefit in a way that there will be a coordination towards attaining the business' objectives. For the employees, having a proper allocation of

responsibilities will help them focus on the tasks assigned to them. This will also lessen confusion that arises with orders, improving the satisfaction of customers.

### IMPLEMENTATION

For the management: Upon accepting the proposed organizational structure, the management should assess its employees based on their capabilities and job descriptions and assign those who best fit per position. The management must discuss to its employees the essence of organizational structure and the organizational structure itself.

The management should observe if employees are in compliance with the implemented structure. Being open to the ideas or thoughts of the employees is an attitude that the management must have throughout its operation. It should receive feedback on the new structure from its employees. The management should also gain feedback from customers regarding changes or improvement in the business' operation. The feedbacks and observations of the new structure will help in the improvement of the structure in future periods.

#### Implementation Guide:

1. Find and assess people from its employees who best fit per job description.
2. Assign person for every position who best fit in each job description.
3. Discuss the need for an implementation of formal organizational structure to its employees.
4. Present the formal organizational structure. Explain thoroughly the functions and responsibilities of every area or section of the business that should be accomplished for an effective and efficient operation.
5. Observe if the new structure is being followed based on the set standard.

6. Receive and assess feedback from employees on the new structure implemented, as well as, from customers.
7. From time to time, revisit organizational structure to see if the business' objectives are being attained.

For the employees: Employees play a big role in the success of a business. They are the one who perform the work for the business to operate in its daily process or routine. With that, the employees must know and understand their responsibilities for them to perform their work well. Upon learning what the task assigned to them, employees must verify with the management his or her assigned work if he can really fulfill the obligations under its position. If the employee has an issue or problem towards its work, communicate it to the management.

Employees should perform their duties with compliance with the requirements in the newly implemented structure. The employees should also assess themselves and co-employees in the changes or improvements brought by the formal structure. From that, they should share their thoughts regarding the structure.

#### Implementation Guide:

1. Verify the assigned work with the management.
2. Understand the responsibilities of the assigned work given thoroughly.
3. Perform duties with compliance with the set standard.
4. Observe and assess changes or improvements of own performance, as well as, on coemployees' performance caused by the newly implemented organizational structure.
5. Share honest thoughts and feedbacks in the newly implemented organizational structure.

Process	Responsible Person	Resource	Time Frame
Find and assess people from its employees who best fit per job description	Management	Time and Effort	Upon acceptance of the proposed system

Assign person for every position who best fit in each job description.	Management	Time Effort and	A week after assessment
Discuss the need for an implementation	Management	Time Effort and	2 days after assignment
Verify the assigned work with the management.	Employees	Time Effort and	Date of assignment of job positions
Present and implement the formal organizational structure. Explain thoroughly the functions and responsibilities of every area or section of the business that should be accomplished for an effective and efficient operation.	Management	Time Effort and	Date of assignment of job positions
Understand the responsibilities of the assigned work given thoroughly.	Employee s	Time Effort and	Upon assignment of job descriptions
Perform duties with compliance with the set standard.	Employee s	Time Effort and	Start: After formal implementation of the new system
Observe if the new structure is being followed based on the set standard.	Management	Time Effort and	Within one week after implementation of the new system
Observe and assess changes or improvements of own performance,	Employee s	Time Effort and	Within one week after implementation of the new
as well as, on coemployees' performance caused by the newly implemented organizational structure.			system
Share honest thoughts and feedbacks in the newly implemented organizational structure.	Employee s	Time Effort and	After the one-week observation from employees and management
Receive and assess feedback from employees on the new structure implemented, as well as, from customers	Management	Time Effort and Paper Printing Cost	weeks after implementation of the new system

From time to time, revisit organizational structure to see if the business' objectives are being attained.	Management	Time and Effort	Monthly Evaluation
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