Laughing Planet Restaurant Purchasing Process

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Laughing planet is a fast-food restaurant first opened in 1995 by Richard Satnick. The rising number of customers led to the opening up of more branches in Portland, United States. The restaurants' heads sought to standardize their food in Portland because it had opened more branches. Hence, the restaurants started the use of a centralized kitchen called a central commissary. Laughing Planet adopted it to control delivery costs, standardize food and ensure the produce was checked.

Purchasing Process

Portland Laughing Planet Restaurants

There are a total number of ten restaurants operating in Portland city. The restaurants are small compared to similar high-end hotels. The main cuisines are grilled chicken, Zapatista salad, house-made veggie chili, beans and cheese, and tween burrito. The chain of restaurants specializes in kids' cuisines such as kid's bowl, the kid's trifecta and mini quesadilla. The types of food offered differ in origin, such as Mexican, Cuban, English and American (Planet, 2017). Besides, the restaurants are sensitive to customer preferences; they offer vegetarian foods.

Central Commissary

The restaurants sell the ready food supplied from the commissary kitchen in the same city (Wolk, 2014). The current commissaries under operation can support up to 15 restaurants. Most of the food is made in these commissaries and then heated using steam. In the commissaries, the restaurant's main cuisines are prepared: chicken is grilled, soups are boiled and sauces cooked, potatoes are mashed, and brown rice is cooked (Culverwell, 2013). The food is then distributed to the restaurants.

The advantage of this process to the recipient restaurants is that they are allowed to focus on customer delivery service. The centralized cooking place reduces the time spent waiting for food by the customers.

Inventory-Tracking

The commissary kitchens will need to invest in the inventory of their restaurants. The inventory is necessary to maintain the required food and, at the same time, ensure that there is no excess in food production and supply. The restaurants operate by requesting food supplies from the commissary kitchen. The kitchen then prioritizes the orders of production hence allowing “consistency of their offerings” (Byloos, 2013, p. 1). However, there is the possibility of over-supply and under-supply in some restaurants. The causes of these are due to inefficient communication between the kitchen and the restaurants.

The proposed inventory-tracking method will ensure real-time tracking of individual restaurants. Because “production inventory consumes a major portion of inventory investment,” more emphasis will be on the commissary kitchen (Monczka, Handfield, Giunipero, & Patterson, 2016, p. 629). The kitchen requires prior knowledge of the demands of the restaurants. However, the kitchen also needs knowledge of the levels of demand: high, average and low (Monczka, Handfield, Giunipero, & Patterson, 2016, p. 629). The responsibility of this inventory is to ensure that there is a balance between the production and consumption levels. Hence prioritization will be awarded to foods high in demand but which are out of stock. The real-time information will be relayed by a program that will calculate the stock in each restaurant and only take it off the system after payment is confirmed. Thus, the commissary will only produce adequate food, therefore reducing the money wasted on excess foods.

Product Ordering

There are discounts on mass orders. Portland’s Laughing Planet might take advantage of these by ensuring that the inventory orders are updated. From the updated orders, the procurement managers will optimize these discount offers (Monczka, Handfield, Giunipero, & Patterson, 2016). The discounts are necessary for ensuring increased profit margins and reducing the costs of production which in turn means cheaper food prices for the customers.

To ensure comprehensive discounts, the products required in the commissary kitchen and restaurants will be analyzed. Because the restaurants have the mission of always supplying fresh food, they cannot be accumulated to weekly schedules (Byloos, 2013, p. 1). However, the demands can be analyzed from the inventory lists. On a daily basis, the sales against the available food products will be analyzed and the orders calculated. The orders projected will, therefore, be equal to the day’s sales less of the left stock. This way, the next day will have less unsold food left. Not all food is made in the central kitchen (Byloos, 2013). However, to maximize on economy of scale, orders will be placed together, hence ensuring more discounts.

Product Identification

The identification of the supplier is reliant on the ability of the supplier to meet the requirements (Low & Pi, 2006, p. 625). Laughing Planet will also employ this condition in selecting all its suppliers and their products. “Cost, quality and delivery performance are the three most important criteria that need to be considered for supplier evaluation” (Low & Pi, 2006, p. 626). Products will be purchased after their quality is confirmed. After this, there will be periodic reviews of the standards of the produce by the suppliers. In line with the restaurants ‘mission to provide fresh food, the suppliers' performance will be evaluated for quality. The periodic evaluation is important to the restaurant in determining the depreciating standards of quality (Low & Pi, 2006, p. 625).

There are other aspects to be considered apart from the quality issues. The costs of products are important to the restaurants because the restaurants seek to reduce the costs of food materials, thereby reducing food prices, which is necessary for marketing (Culverwell, 2013, p. 1). Thus while keeping in mind other aspects of consideration, the prices of the products will be required to be minimal. The costs of delivery will be analyzed, with preference given to suppliers near and within Portland. Timely delivery amounts to timely food preparation; hence, the delivery of the produce by the suppliers will be key.

Purchasing Objectives

Lower Costs

The reduction in the cost of running a business is the major reason for the purchasing process. The analysis of product identification is important in ensuring that the cheapest produce is found (Low & Pi, 2006, p. 626). Inventory tracking also helps reduce costs of operation by ensuring a reduction in an oversupply of food.

Supply Assurance

The focus on the delivery of quality and timely produce is geared at ensuring that the supply of produce is maintained. The analysis of the supplier identification process is supported by the fact that "purchasing supports the needs of operations"; hence, it requires that the process be audited for efficiency (Monczka, Handfield, Giunipero, & Patterson, 2016, p. 42). Also, the incorporated inventory tracking will help ensure that food is available and, at the same time, ensure a fresh supply.

Improve Quality

The quality of produce is emphasized, especially because it is a hospitality business. The product identification process seeks to ensure that high-quality produce is acquired and, through continuous auditing, is maintained (Low & Pi, 2006, p. 625). Also, in reference to inventory tracking, the quality of food is addressed because the process discourages the over-production of food in the commissary kitchen.

Good Relations with Vendors

Ordering of produce creates business relations with the vendors. To maintain this relationship, the proposed organized ordering process ensures communication between the restaurants' managers and the vendors.

Support Business Goals

The business goals at Laughing Planet are reduced to ensure fresh produce is sold to customers (Byloos, 2013). The ordering process and inventory tracking ensure that new fresh produce is available. By ordering restaurant produce on a daily basis and ensuring reduced surplus food, the business' goal is met.

Conclusion

Laughing Planet restaurants used an ingenious way to ensure efficiency in the delivery of their services and food to the restaurants. However, the commissary kitchen could be improved in the delivery process. The purchase process seeks to ensure continuous improvements through meeting the laid down business goals. The recommended changes to the inventory-tracking, ordering process, and identification process are aimed at achieving the objectives of the purchasing process.

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