Quick Trip Case Study

Ida (First M. Last)

School or Institution Name (University at Place or Town, State)

# Introduction

QuickTrip commenced its business in 1958 in Tulsa, Oklahoma by the two friends. One of them, Cadieux wanted to start his own business and after finding his right partner in Burt Holmes he started his business. Initially Quick Trip only sold few groceries and Cadieux used to work alone in the night shift. Under his leadership, the company went through massive expansion into other cities of the United States. After a few decades, QuickTrip became the best convenience, gasoline, and food retailer in the community. The success of the company can be attributed to many factors such as their core values, labor practices, effective strategies, leadership, and effective decision making of leadership. This paper seeks to analyze some of the strategies of QuickTrip and their effectiveness for maintaining sustainable growth and a large base of satisfied customers. The effective strategies adopted by QT has assisted the company to achieve sustainable competitive advantage and enabled it to increase customer satisfaction, value creation, and enhancement of quality in the services it provides.

# QuickTrip operations strategy and the way organization seeks to gain a competitive advantage in terms of sustainability

An operational strategy is a plan of action, which guides the ways in which an organization will spend its resources in order to support its infrastructure and growth (Ton, 2011). It is typically driven by the overall strategy of an organization, which is aimed at maximizing the effectiveness of its operations and minimizing cost. QT analyzed the opportunity of growth in and scope in the operations as US-based seven to eleven stores operated about 32000 stores in different states, some of them selling the fresh food items while some of them also offered dining facilities, and shared space with other retailers. QT had the vision to become one of the best gasoline retailer selling good food (Ton, 2011).

QT was focused at its long-term goals and due to this; it was ready to take the burden of short-term financial losses and took small and big investment decision as well. Realizing the factor, that clean bathroom is something that will attract most of the customers it invested about $12million over three years for the sake of making them innovative. It also maintained the "family environment" by eliminating the keeping of pornographic magazines (Ton, 2011). Before 1990 the company sensed that it is not achieving the operational excellence and in 1995 it launched a major effort to re-engineer. Jeffers, director of operations at QT worked with 13 store managers to reevaluate QT processes and policies. All the store operations were mapped and standardized after talking to customers about what they valued. In addition, standards were also made regarding the looks of store managers. To achieve the operational excellence QT established new policies and procedures related to storing appearance and layout, employees' appearance and daily activities worksheet, and customer services as well.

One of the major parts of this reengineering effort was to integrate employees in process improvement. Resource groups were created for every position whose members were designated to discuss and improve issues in stores and tap improvement opportunities. The redesigning of business operations helped QT achieve sustainable competitive advantage as all of its reengineering efforts were aimed at satisfying the needs of customers (Ton, 2011). QT believes that it was best in choosing the store locations and its people that evaluated the demographics, crime rate and vehicle traffic of a location. Customer service at QT is also one of the sources of its competitive advantage. Fast and quick service, friendliness, cleanliness, and product offerings distinguished QT from other convenience retail stores and store layout was also designed to assist customers in finding products very easily (Ton, 2011).

Daily activity worksheet was also introduced to aid managers in making sure that everything is done on time. In addition, to assess the customer feedbacks company employed mystery shoppers to evaluate every element of customer service. Each store was managed by a store manager assisted by three other managers to achieve efficiency according to the customer traffic at stores. Effective employee management resulted in making QT one of the best places to work among the Fortune 100 best companies (Ton, 2011). Another strategy that has helped the company in achieving sustainable growth is its investment in the Phoenix-area and Dallas area markets.

# operation management activities affect on customer experience and operation management challenges with the solutions for confronting them

The operation management activities play a key role in increasing the operational performance of organizations and ultimately enhancing the customer’s experience. Some of the operations management activities such as operations scheduling, service delivery and processes and logistics capabilities have a direct impact on a company's efficiency. In today's competitive business environment, it is essential for the top management of different companies to pay attention to operations management activities. For service organizations, it is imperative to manage the service process in order to achieve operational efficiency. OM related activities are a better predictor of quality and efficiency in service organizations (Prajogo & Goh, 2005).

From the case of QT, it is witnessed that operation management activities such as reengineering of processes and procedures were helpful in achieving customer satisfaction as observed by the mystery shoppers. Clean bathrooms, quick and fast services, ease for a customer in finding the right products, entering fresh foods market, and friendly staff are some of the operations management activities that have helped QT in boosting customers’ experience at QT stores and ultimately enhancing customers’ satisfaction (Ton, 2011). One of the company’s policy, “Three to one stand” is also an excellent example of enhancing customer’s experience via improving operations efficiency.

Operations management nowadays several challenges and these challenges, two of them are maintaining sustainability and maintaining ethical conduct. Sustainability is the process of maintaining continuous growth without putting future resources at a risk. The challenge is not to achieve growth but sustainable growth, and the operations managers can achieve sustainable growth by considering all the three pillars of sustainability that are economic, environmental, and social. By implementing the best practices for all three pillars, sustainable growth can be assured. Another challenge is to ensure that the business activities are not damaging to the society and community. Unethical behavior is the reason for the demise of many successful corporations and it must be eliminated. Operations managers must ensure that the business operations are safe for the environment, community, and people.

# Examine the QuickTrip value chain and evaluate its effectiveness to operations in terms of quality, value creation, and customer satisfaction.

The value chain of an organization comprises of activities that are necessary to perform the business operations. It consists of all the activities which help in providing the customer with the end product or service of an organization. A value chain consists of some primary activities and some support activities, including inbound and outbound logistics, technology, procurement, Human resource, service, and marketing and sales (Ton, 2011). The value chain activities of QT consist of all those activities, which help, in providing the end service to customers. The products at the stores arrive from their distribution centers and QT kitchens, kitchens are made to deliver fresh food in the stores. QT has focused on the store and employees' appearance, and it has also focused on quick customers. All of its activities are aimed at providing its customers with quality products, value creation, and customer satisfaction (Ton, 2011).

The company closed the stores that failed to support the pumping stations and it earned a reputation as a brand selling high-quality gasoline at very low prices. The human resource of the company on making investments in hiring, training, and management of employees that could offer quality customer service. The division manager was involved in the hiring of people and employees were evaluated on the basis of predictors of exemplary service. Once hired, employees were trained in about six training sessions (Ton, 2011). Employees were also trained after promotion to a new post. Being a service organization, QT put a lot of emphasis on offering the benefits and benefits to the employees so that they can provide exceptional service to the customers coming at QT stores. The benefits included financial benefits, vacation benefits, insurance benefits, and many others. Delivering fast and quality customer service is the crucial responsibility of every employee (Ton, 2011).

The services at a store such as parking and innovative bathrooms, very quick service to customers, aimed at creating value and quality in its service to satisfy all the customers who visit QT store. It has more focus on its human resource because they have a direct influence on good and poor quality service provided to the customers. The staff is very quick and they do not rely on the whole process of scanning the products and wasting the time of customers who are always on the go. Instead, they focused on fresh and quick food to save customers time.

# Different types of performance measurements that can be used to measure QuickTrip service-delivery system design.

The service delivery system is the set of processes and procedures, which guides the employees in delivering consistent customer experience to a set of customers. Measuring the QuickTrip service-delivery system is to assess the quality of the service provided to its customers. The performance measurement of the service-delivery system can be assessed using the standards that have already been developed in order to maintain the quality of service provided to customers. Objective measures can be used to determine the quality of service when the staff is delivering it. QT has already developed some standards such as “Three to one standard”, standardized mystery shoppers’ questionnaires, based on the wants of hundreds of customers’ expectations. Its standards include the customer service delivery evaluation based on eye contact, charging correct prices and a proper thank you etc. (Ton, 2011).

Managerial Observation is another technique that can be applied to assess the service quality, and it can simply be done by looking around what is happening. A model has been developed by A. Parasuraman to measure the quality of services provided to its customers. This model is known as SERVQUAL, which measures the quality of service on five different dimensions i.e. tangibles, reliability, responsiveness, assurance, and empathy (Seth, Deshmukh, & Vrat, 2005). One more way to assess the quality of the QuickTrip service-delivery system is to monitor customer experiences when it is taking place. It can help in identifying and improving the system failures, which can affect the quality of service, delivered in a negative way. The strategy of mystery shoppers of QT is also very beneficial in measuring the service delivery system of the company.

Two best ways that can be the most beneficial in determining the quality of the service is the use of the SERVQUAL model and measurement against the delivery standards that have been determined by the company. The SERVQUAL model offers evaluation from many dimensions and can be helpful in assessing quality from different perspectives; in addition, this model has also obtained support from various researchers (Seth, Deshmukh, & Vrat, 2005). Measuring against the performance standards is also a good practice because standards are developed based on customers’ expectations, and it can determine if the service quality is according to customer expectations or not.

# The different types of technologies applied to QuickTrip service operations and the ways technologies strengthen the value chain.

Technology plays a key role in increasing the quality of service operations. QT ensures that the equipment' used at its gas stations and stores are working properly and for this purpose, they have their own support staff. The case does not reveal the use of innovative technologies in their service operations, instead, the staff believes in mental math. They are more focused on the quick customer experience, which is of three to four minutes between entering the store to the departure. Stores were aimed at few products but enhanced customer experience in the form of quick service, friendly staff. However, they have focused on clean and innovative bathrooms, which is the key point of attraction for most of the customers (Ton, 2011).

Technology plays a vital role in improving the quality of the work done and it enhances the efficiency of business processes. The value chain activities can also be enhanced by making use of the right technology. Technology allows the business to have a direct link with the customers and reduce errors in record keeping and inventory management. The staff at QT tried to reduce the customer waiting time by eliminating the scanning process and use speed keys, however, bar code scanning reduced the chances of inefficiency and improves the accuracy of records (Ton, 2011). To increase the speed of service, technology can help well. Advancement in technology has enabled the employees to communicate with each other and produce better outcomes for the patients.

Technology is one of the primary activities in Porter's value chain model, and it affects almost every other activity of the value chain. Changes in technology can also influence the value chain activities and possible configurations can be made to achieve a competitive advantage. Technology can be used in material handling, transportation of goods, and implementation of information systems, order processing, designing operations, communication, marketing, and advertising, in-store promotions, customer loyalty programs, and enhanced and improved customers management. Moreover, technology makes a connection between all the value chain activities that cannot be performed in isolation. Service organizations must make use of technology to enhance their competitive advantage by employing technology in their operations.

# Conclusion

To sum up, the operations management strategy plays a vital role in the success of a company and assists it in achieving a competitive advantage. QT started in 1958 in Tulsa by two buddies and it went through a massive expansion in a few decades. QT became the best convenience, gasoline, and food retailer in the community and its success is attributed to their core values, labor practices, effective strategies, leadership, and its effective OM strategies and activities. Companies also face some challenges such as attaining sustainable competitive advantage and putting ethics at the heart of operations management activities, however, operations managers can tackle these challenges by adopting some simple strategies. The value chain activities of QT also makes a contribution to its service quality, value creation, and customer satisfaction. Implementation of technology can enhance the effectiveness of value chain activities of QT.

# References

Prajogo, D. I., & Goh, M. (2005). *Impact of Operations Management Activities on Operational Performance in Service Organisations*. Department of Management, Monash University.

Seth, N., Deshmukh, S. G., & Vrat, P. (2005). Service quality models: a review. *International journal of quality & reliability management*, *22*(9), 913-949.

Ton, Zeynep. ["QuikTrip."](http://hbr.org/product/QuikTrip/an/611045-PDF-ENG) Harvard Business School Case 611-045, March 2011. (Revised June 2011.)