How A Case Study Appears Essay, Research Paper

INTRODUCTION

This Case Study reports on the business called The Oyster Bar. This study has been conducted over term three as part of this years requirement for Year 12 PAS Business Studies. In this project I have studied the business functions of The Oyster Bar through studying the four main areas of Business Environment, Work Environment, Financial Environment and Technology. This research includes and has been prepared as an informative collation of the studies we have completed through the course of the whole year.

ABSTRACT

This report indicates the current business profile of The Oyster Bar, a hospitality service in Adelaide. The report shows the position of the bar in regard to a number of key aspects that relate to the conduct of business life. Following a written request for this study the information for this project has been obtained through several telephone calls and visits to The Oyster Bar to have meetings with one of the Company Directors, Jason Bernardi and the Manager Richard Williams about the relevant topics .

BUSINESS ENVIRONMENT

Rational & Historical Development

In 1996, on East Terrace in the city of Adelaide sat an empty building. It was not vacant however in the mind of Jason Bernardi. He saw an image of a thriving business. That image is today The Oyster Bar and can be found at 10-14 East Terrace in the Central Business District (CBD) of South Australia’s heart – Adelaide . After a detailed analysis based on key questions I have found out the following information.

Reasons for Location

The site for The Oyster Bar was chosen for its prime location and convenient land size. One of the main reasons for choosing this site was the large numbers of passing traffic. This means the business is constantly seen by people in cars and walking past.

Parking is a problem, though parking in any large city is always difficult and the East End of Adelaide is no exception. So this does mean that customers must first overcome the car

parking fiasco before entering The Oyster Bar.

Benefits of Location

The Oyster Bar’s location is close to many seasonal Adelaide events. For some events, the road outside is closed to traffic to encourage people to party. Some of these events include:

Tour Down Under

St. Patrick’s Day

V8 Car Racing

Le Mans Race

Fringe Festival

Structure & Organisation

This business is legally structured as a private company and one of the owners, Jason Bernardi, describes this tertiary type company as a good organisational basis on which the business can function.

Business Functions

The prime function of this company is to provide hospitality to customers. The Oyster Bar provides liqueur, cheese boards and salmon platters as well as South Australian bred oysters as its main functions. These products are all single use consumer goods with all goods and services provided over a bar that shelters the main decorative focus of the bar, a large ice-mountain that also stores all the beers, wines and champagnes.

The Oyster Bar & Other Sectors:

Competition

Direct competition to The Oyster Bar includes P.J O’Brien’s Irish Pub, the Stag Hotel, The East End Exchange, The Botanic, and also the Crown and Anchor Hotel. These competitors are all located close to each other therefore everyone is competing against everyone else. See Table 1. for details of competition.

Table 1. Example of Competition

Stag Hotel Oyster Bar

Price $9.00 $12.00

Number 15 (per doz) 12 (per doz)

Fresh daily no yes

Entertainment is another form of competition as that is popular with the general market of customers within the CDB .

The size of the building in which a business is done can affect consumer service. To run a business that serves liqueur needs a license. This license also says how many people can fit into a building at a time. On a Tuesday when the place is packed out because of the reduced oyster prices, the bar license stops any extra people being allowed in and this restricts the amount of business that can be done.

Also storage space restrictions affects the discounts that could be gained on bulk orders.

Products, Services & Markets

For marketing, The Oyster Bar relies mostly on good service and word of mouth. Jason Bernardi says that “a good staffing line up, providing the best possible service is the best form of marketing and it is this that sells the business”.

Other techniques used in marketing include a website , the business name on all staff uniforms and sale of these clothes such as tops and baseball caps to customers. Radio promotions as well as newspaper advertisements are also used.

Consumer Demand

In today’s liqueur business, there are many drinks that are fashionable and so The Oyster Bar needs to have these in order to make customers happy and make a profit. Staff need to pay attention to requests for any beer not in stock, then make the decision as to whether or not they should invest in this new product.

Oysters are not everybody’s favorite food, so staff again need to take notice of whether more people like cooked oysters rather than raw, or what sort of toppings they want. Then the menu may be changed to adapt to particular demand.

The Oyster Bar managers also monitor competition. “Everyone is competition and we cannot afford to ignore that point.” says Bernardi.

Mission Statement & Goals

The motivation for employees is set out within the business mission statement. Posted on a wall in the bar the mission statement reads:

‘It is our policy to provide fresh daily, the highest quality oysters fresh from South Australia. We complement our food with superb South Australian wines from our world-renowned regions.’

Another mission statement not written relates to the idea of quality service to the customer community. All staff are continuously reminded of this statement through managerial support. For Jason Bernadi mission statements direct a business to achieving the goals that they set out to achieve. See Table 2. for The Oyster Bar’s Business Goals

Table 2. Business Goals

Goals Definition

Financial Gain a profit through good quality services.

Personal Franchise throughout Australia & Asia

Social Provide consistently good hospitable service to all customers

The business is currently in a growth stage of the business life cycle as a result of the newly opened Holdfast Shores Oyster Bar.

Ownership & Directors

The stakeholders of this business are Eddie Taylor , Tamara Taylor partnered with Jason and Marlene Bernardi. Jason and Eddie direct the work, yet both have different responsibilities. Jason is the day-to-day organizer whereas Eddie has a director/board type responsibility. As part of this he takes on the responsibility for focusing on future directions. These are all the stakeholders and they are all internal to the business.

Recommendation

The business environment of The Oyster appears to be one of a respectable nature. Its reputation is solid and the good name is well known throughout Adelaide. I recommend that if the expansion plans of Jason Bernardi are to eventually exist, then a large amount of the determining factors, lies in the marketing and advertising of the bar itself. This is the primary key to expansion and through the current strategies of marketing, I can see this expansion occurring.

WORK ENVIRONMENT

The Oyster Bar is recognized as a safe working environment by being legally allowed to operate. I conclude this from the Occupational Health and Safety survey as well as other Work Environment Questions that were conducted on The Oyster Bar.

Important areas of this survey include:

Housekeeping

Furniture

Equipment

Emergency

Environment

Material & Substances

Work Practices

Everything appeared to be in order except for one area. This area is included in Section 2.1 of the Occupational Health and Safety survey as “Are there any items of furniture, which have sharp edges, corners or protrusions, which may cause injury?”

I raised this issue with Jason Bernardi who has checked all problem areas.

A high level of ethical conduct occurs in the work environment and business activities of The Oyster Bar. This attitude is consistently portrayed in staff work patterns and all staff clearly demonstrate this approach in service to the general public.

Legal & Governmental Implications

When selling liqueur, a license must be obtained This is enforced by Governmental supervision through police and liqueur licensing agencies. There are also laws and regulations about noise and rubbish due to the East End apartments located directly behind The Oyster. These are only a few implications that the government has on the business. For example, when employing staff, Jason Bernardi must comply with both the Anti Discrimination and Equal Opportunity Legislation. The dismissal, retrenchment or the events of making a worker redundant must also be done through similar legislation.

Internal Policies

Within The Oyster Bar’s work environment, employees are constantly reminded to maintain their keen and hospitable presentable attitudes to their work. This is also done through the reminding of the mission statement. It gives them rules in which they are working under.

Social & Ethical Issues

The social and ethical issues that are involved within this market are from various areas. In some cases it is about discounts to friends, stealing from cash register, not cashing in tips – this has been agreed that all employees are to cash them in, attempting to short change customers just to name a few. These should be internally monitored and should be dealt with as soon as they are noticed.

Recommendation

My personal recommendation for The Oyster Bar is that all the staff should be encouraged to be enthusiastic in their approach to work. This can be maintianed through various incentives. Also, if the work place is kept clean and safe then a general staff approval will be shown through their work efforts. Other than this, the work environment of The Oyster Bar is at a satisfactory level.

FINANCE

Jason Bernardi, answered a range of questions relating to the financial position of the business. From what I found, the business is financially stable and though small, it takes a great deal of money.

The Oyster Bar uses loans as a common source of borrowing, used not only in establishing the business but is used now days when funds are required. Jason Bernardi sees loans as long term advantages because cash flow means that interest is avoided for longer periods. It also frees up some funds like retained profits for expansion and growth.

The Oyster Bar Directors see overdrafts as short-term sources of funds and looks at Bills as long term sources. Although this business is a company, it does not have shares and therefore is not listed on the Australian Stock Exchange (ASX).

Through assessing all financial ratios I was able to determine that The Oyster Bar was financially stable. I used the following ratios for this assessment:

Earning capacity:

Return on equity

Return on total assets

Net Profit Margin

Expense Ratios

Gross Profit margin

Financial stability:

Working Capital ratio

Quick Asset Ratio/Acid Test

Debt to Equity Ratio (leverage or gearing)

Total Debt to Total Assets

Management effectiveness and procedures:

Times Interest Earned

Debtors Turnover

Stock Turnover

I was able to view and assess these however, Jason asked that I would not use the actual figures for the sake of maintaining the privacy and confidentiality of the financial position of the business.

Jason Bernardi said that with regard to all of these ratios, he thought that the financial position of The Oyster Bar was at a satisfactory level and the only ones that need to be focused on are the Expense Ratios. He plans to improve these through consistent monitoring. These measurements are all outlined clearly in businesses general-purpose reports.

Accounting & Decision Making

The Oyster Bar uses a private accountant that prepares reports on a monthly and sometimes weekly basis that are frequently used in decision making. “They are clearly outlined and always show the true position of your financial status” was Jason Bernardi’s position on the use of accountant’s information in business decisions. The Oyster Bar’s accountants and positions are outlined in the business structure diagram .

TECHNOLOGY

Technology and innovation are two crucial features in modern business development. Successful businesses today must be adaptable to new market facilities to maintain a competitive reputation against competitors in the same or similar markets.

In the case of The Oyster Bar, technology does not play a large role in the business life, however, Jason Bernardi understands that the technology in his business needs to be constantly monitored for the business to be successful.

Examples of the simple technology in use at The Oyster Bar are: a cash register, dishwasher, air conditioning, lighting and electricity systems. In an expansion of The Oyster Bar, that is the newly opened Holdfast Shores Oyster Bar, there have are new technological additions such as a table tracking system

The Oyster Bar has a website for its marketing. Inside the bar there is a offer where a customer may place his or her business card in a bowl for a

chance to win a $100 voucher for the Bar. This is drawn once a month and the benefit of this to the business is that all the cards are checked for email addresses. Giving the directors all of these addresses to send customers information about The Oyster Bar such as new bands and price specials. This means that people are constantly receiving advertisements about the bar.

“Technology will determine a businesses’ productivity in the long run” says Bernardi. In this case I have used the term technology to relate to work equipment.

Jason Bernardi believes that a lack of technology within hospitality can be viewed as a positive as everyone is on a level playing field. There is not much new technology in this industry and this means that no one in the market can have a competitive edge through the use of technology.

Technology in other businesses has affected the hours worked by staff, which means that people now finish work at a variety of times. This means that those looking to come into The Oyster Bar for a drink after work, will be coming at different times.

Recommendation

If The Oyster Bar can maintain a level playing field in technology between competitors, than I think that they will only benefit. This is one area that should be monitored and this can also assist the expansion plans of the managers plans.

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