

Problem Solving & Decision Making

BMSK 4004

Submitted to

Richard Small

The University of Wales Trinity Saint David

Md Forhad Hossain
Student ID: 1706033
The University of Wales Trinity Saint David

27th August 2018

Table of Contents

	Abstract	3
1	Beginning of the Problem	5
2	Analysis of Implications	7
3	Stakeholders	8
4	Possible Resolutions	8
5	The Ideal Solution	9
6	Success Measure	9
7	References	11

Abstract

“The most important part of any business or invention is that it must solve a real need and a real problem. Observe the world around you – everything you do, and especially everything you don’t like to do – solve a real problem and the world is yours.” - Aaron Patzer, Founder, Mint.com, <https://www.bartleby.com/essay/Problem-Findings-and-Problem-Solving-F3D8BVPJCB7S> [Accessed 27 Aug. 2018].

There is a whole problem process involves unearthing the real cause of the problem, observing it from different angles, shaping it and then finding the right path to resolving it.

Any business works best once we have covered all possible the loopholes. Whether as an architect of a business when we cover all the loopholes everything starts flowing in positive direction and profits increase and after fixing all the customers problems money flows to us.

Problem finding means realising something that thwarts a business process or troubles us and our society as a whole. It requires intellectual vision and insight into to understand what exactly is missing and the root cause of the issue. Problem shaping, is then breaking it into parts, analysing the problem and looking at it from different perspectives and when everything is done we are left with finding the right resolution that suits our purpose.

The primary goal of this study is to increase my general, business and decision making knowledge and understand the real scenario of problem solving in a business aspect which would help me in my work, personal and in my further higher education as well. At this stage I appreciate the value of understanding how decision making make a world of difference in business world and I feel privileged to be able to take this course at this University. I believe making good decisions course modules and activities are impacted on my education career. The problem solving and decision-making are vital skills for college and life. The problem-solving frequently includes decision-making and decision-making is significant for managing and guidance.

There are diverse methods and techniques to develop the skills of decision-making and quality of those decisions. The right decision making is more ordinary to the confident people so we should, in the right decision-making skills, develop our knowledge which would make us confident on business scenario and that in turn will make our detecting the problems and finding the right solution skills sharper. People with lower confidence, because of less knowledge in the topic, somehow can make decisions but while implementing those decisions they are more critical which don’t bring a good result in the long run. The problem-solving and decision-making are correlated, and each requires motivation to identifying and evolving choices, for which the brainstorming method is mostly suitable. Brainstorming is a powerful skill that is strongly focused on a single topic for a limited period. It offers a diverse and stimulating interaction that opens up many unseen areas, views of the problem. It offers a very different and inspiring interaction techniques.

The strategy was first used in business decision making as a resource of overwhelming difficulties, solving problems and finding new and creative methods to unsatisfactory or incompetent actions or systems. Critical thinking includes the element skills of analysing arguments, making inferences expending inductive or logical reasoning, judging or assessing, and making decisions or solving problems. Critical thinking involves both mental skills and characters. These characters, that can be seen as attitudes or behaviours of mind, include open- and fair-mindedness, interest, flexibility, a tendency to seek reason, a desire to be well-informed, and a respect for and willingness to tickle various viewpoints. There are both general- and domain-specific characteristics of critical thinking. Experiential research recommends that people begin developing critical thinking capabilities at a very young age. Although adults often display poor reasoning, in theory all people can be skilled to think critically. A condition can look very different when we feel strong and confident, compared to when we may be feeling insecure or stressed out. Confronted with a tough decision, it can be helpful to ask yourself how you would approach the decision. Sometimes, however hard to agree, can help us overcome the impact of temporary emotions that may cloud our vision.

My strengths in problem solving and decision making as a student, as mid-level management employee and as a person in my everyday life are my course groundwork, time management, study, communication skills, relationships (family, colleagues and unit mates), and health. The weaknesses I am trying to cope with are time management, emotion and inter-personal skills. I would define myself as an outgoing, gregarious person which I believe gives a huge boost in building my confidence while dealing with any difficult situation and making decision.

“In any moment of decision, the best thing you can do is the right thing, the next best thing is the wrong thing, and the worst thing you can do is nothing.”, (Theodore Roosevelt) Works Cited Feldman, R. S. https://www.brainyquote.com/quotes/theodore_roosevelt_403358 [Accessed 27 Aug. 2018].

1. What, Why, Where, Who, How, When-**Beginning of the Problem:**

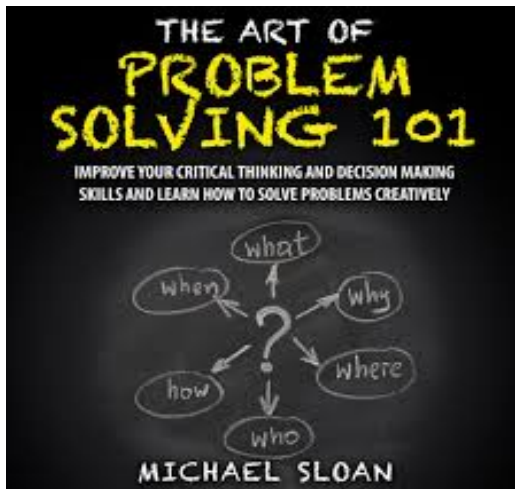


Figure 1 The Art of Problem Solving

Each crisis has the potential to strike at the heart of a brand image of an established organisation causing damages in all the stakeholders trust.

Why didn't the chicken cross the road? Because of a single point-of-failure in the chicken restaurant's supply chain and lack of contingency planning, that's why.

With over three quarters of its locations closed on Monday, KFC was thrust into the national news as the fried chicken shop that had run out of chicken. But as the details emerged, the blame was moved to DHL.

On February 14, there were two separate accidents between junction two and three of the M6 involving seven vehicles and killing one man and two others injured. The entire area between these two junctions was closed off the area between the two junctions to investigate. These three junctions are near Rugby, where DHL has its central warehouse. With its lorries getting stuck in the traffic as soon as they left the depot, and no other locations to send deliveries from, the delays that would lead to the KFC chicken shortage began here. In a statement, DHL said it was working with KFC to re-open all its stores in the coming days. "Whilst we are not the only the party responsible for the supply chain to KFC, we do apologise for the inconvenience and disappointment caused to KFC and their customers by this incident," the spokesperson continued. KFC did not respond to a request for comment.

Many have questioned the wisdom of operating out of a single warehouse, but according to expert this is apparently not uncommon in supply chain management.

The Golden Rectangle which is located between Milton Keynes, Rugby, Daventry and Northampton where the DHL central warehouse is located and according to the industry experts if a facility is in that rectangle we can deliver overnight to just about anybody in the United Kingdom. This is quite a standard way of working for supply chains of this type.

However, even if it is possible to use a single warehouse, Samir Dani, professor of logistics and supply chain management at the University of Huddersfield's Business School, <https://www.wired.co.uk/article/kfc-chicken-crisis-shortage-supply-chain-logistics-experts> [Accessed 27 Aug. 2018], thinks that it isn't always appropriate to do so. "Companies may operate out of one warehouse, but you have to think about the product. There are legality issues around the quality of the produce and the contamination that can happen is not handled properly. That's the problem with food, distribution can't be thought about like any other supply chain."

On the other hand, mega freight forwarder DHL, which, like many third-party logistics (3PL) companies, typically owns very few physical assets, rely on a complex network of individual trucking companies and other carriers to deliver their service.

Organisations should take specific measures for creating visibility in the vendors supply chain when it is dependent on 3PL providers.

Companies should work with their 3PL partners to keep track of which carriers will be used for their shipments and ensure that their quality and security requirements are cascaded down to subcontractors in contractual language with the 3PL. Companies should clearly define key performance indicators with the 3PL partner and minimum standards for carriers that they use.

Logistics buyers should conduct in-person checks of at least a slice of the 3PL partner's subcontractors to directly check out their quality, business continuity, and security practices.

Furthermore, companies should work to identify where their supply chains run through regions that are vulnerable to disruptive local events and build in redundancy there to circumvent disruption or supply chain bottlenecks. Localised low-impact, high-likelihood events pose risks to supply chains around the world without making international news and can create "cascading risk" in which disruptions in one part of the supply chain create additional problems downstream.

Companies should speak with stakeholders about how local events affect them and what contingency plans they have in place, as well as engage with external geopolitical risk experts who can offer unbiased analysis and context.

Communication and cooperation between the teams examining the supply chain — business continuity, procurement, logistics, and so on — is essential to reduce silos and mitigate overall risk. While many organisations seek to simplify and streamline their supply chains to maximize efficiency and profitability, reducing redundancy can also introduce risk, fragility, and an increased potential for disruption.

Complex supply chains can hide diamond-shaped chains, in which most or all vendors source a component from a small group of suppliers. For example, dye pigments used in many manufacturing industries are only made by a few factories in one region of Japan. A natural disaster in that region that halted production would disrupt all industries that use that pigment.

Having one company coordinate all activity can lead to an onion-like structure of contracting and subcontracting that reduces visibility into who is carrying a company's cargo at any point in time. This increases the difficulty of ensuring quality and security through the distribution chain.

In some cases, it may be more sustainable in the long term to work with a roster of several approved logistics companies, granting delivery lanes to each one depending on where their

networks are the most dense and robust. Companies can then compare performance across lanes and re-allocate them as the better performing providers rise to the top.

Working with multiple logistics providers serves as a sort of insurance policy. In case there is a business continuity issue with one of them, one (or several) of the others may be able to fill in.

If you take basic precautions to protect the integrity of your supply chain today, your organization will be more likely to operate uninterrupted - preventing future headaches and negative headlines in the future.

2. Analysis of Implications:

Approximately ten per cent disruption in supply chain during a year is a common which is not noticeable due to the affect in some very small numbers of locations. But for the KFC's case, for its specialised menu and a centralised single warehouse the hitch was much bigger and swiftly noticeable to the customers.

To avoid the situation from happening in the future there are a few separate areas to consider. How soon can the distress among the customers be minimised? Nevertheless, the overall commotion to the entire network, including the farms and other related parties, which presumably going to go on for a longer period. And after all this the most important question; How long it will take the KFC to restore the trust and confidence with its valued customers base?



Figure 2 The 7s Framework in Problem Solving and Decision Making

At this stage it's harmless to say that customers confidence and trust in KFC is upset. Between phone calls to local Police complaining about the limited menu, and a movement in Bristol to nationalise the chain to avoid same happening in the future, salvaging the customers' trust will be a formidable task for the KFC. No matter how finger lickin' good his products might be.

The cause of the crisis will be debated for a long time to come, but believes the decision to use the single depot didn't help matters. "Serving the length and breadth of the country from one warehouse is a complex task anyway. The fact that it was a new warehouse, new IT system, and the handover was just happening, makes this a perfect storm."

But the full cause of the great chicken crisis is more complex. Using a single location will not be the lone cause of this particular problem at all. There were several elements which have come together. Demand, automation in the facility, the planning software, all those sorts of things interacting together. There may be a particular cause which will come out of this, but pinpointing that may be a tricky thing."

Poor preparation may also be to blame. "It's a complex scenario, but it would mainly be the network planning. To send perishable products into the stores, we must think about what kind of network you need, how many distribution centres? With probable failing in planning might have a big portion behind the chaos. The IT systems may not have had the right checks before going live, if so, what were the contingency measures in those circumstances?" In a supply chain disruption can happen for lots of reasons, but in the case of KFC several things have seemingly gone wrong at once in the absolute absence of any contingency plan.

3. Stakeholders:

Concentrating on the seemingly most affected stakeholders, customers and restaurants, we are missing another very important point, the most important issue is the sustainability and food waste perspective. KFC have over 500 farmers in its network that deliver chickens, and that is the beauty of this model because it lets them use fresh chicken. Now because of the disruption with its supply chain what's happening to the farmers? What is happening to the chickens that are in the system now and how much of it is being wasted?

Loads, as it emerges. There are reports that the entire lorries of chicken have been waiting for hours in the depot for drivers are kept waiting. Other technical issues, such as setting wrong temperature in the lorry fridge, also added to the waste of food.

4. Possible Resolutions:

Trailing from the recent supply chain fiasco KFC should learn from its mistakes and to avoid the same problems returning in the future it can adopt various approaches, such as:

Many supply chain partners will issue identical performance indicators and market assessment techniques on all engagements they have, irrespective of the technology being purchased or outcome desired by the business. This is a detrimental approach as nuances and subject matter expertise are unable to be imparted by the partner that could potentially save money, time or mitigate risk. Truly assess each engagement and accurately as well as realistically assess the desired output that KFC wishes to achieve, in comparison to work loads and true capabilities of workforces and systems. When developing an effective supply chain, product development and cost per product plays an integral role in the speed and robustness of development. By working closely in tandem with partners you can collaboratively assess if it is possible to utilise an off the peg product or if be-spoke product tailoring is needed. If personalisation is desired then the ability to stock is reduced.

Organisations are looking at standard offerings to allow more flexibility in the routes to source, as well as having less concern over return management processes, partner stock holding and even buying base specifications and upgrading via configuration.

The hardest choice for KFC is to decide whether completely return to its original logistics supplier, Bedvest Logistics, which delivers chicken to one third of the 900 KFC restaurants, or stay with DHL, which supposed to deliver chicken to two third of the 900 KFC restaurants, finding a permanent answer to all the issues behind the chaos.

5. The Ideal Solution:

My analogy says KFS should, at least for a considerable period, stay with its new contractor DHL for obvious reason, cheaper and efficient. The main reason for KFC to switch its logistics supplier was KFC was looking for a commercially viable logistics partner with more efficiency and DHL being the biggest logistics supplier in the world has more capacity in terms of all the related aspects, such as assets, strategical power. If we look at one of the main reason that initiated the shortage of supply in the stores all over the United Kingdom was the collusion at Junctions two and three of M6 which we must accept that it was an act of God. The only concern we have here is that there was not any contingency plan, a plan B for such an act of God. With such a massive scale of distribution and the effect of any smallest disturbance there should have at least some other contingencies plans in place to avoid such calamity. Followings are few more aspects why I believe KFC should have stuck to its contract with DHL.

- DHL operates from one warehouse/distribution point which strategically located in the centre of the entire UK and adequate contingency plans in place it would be the most efficient and cost-effective manner to supply chicken all over the UK.
- It has the largest and biggest logistical, human and strategical capacity.
- It is cheaper than other partners.
- It introduced a new delivery method, 'reverse logistics' which over time will be the most efficient, cost effective, nature friendly.

On the other hand, followings are the reasons I believe KFC should avoid teaming up with Bedvest Logistics to supply chicken to its other two third of the restaurants.

- Unlike DHL Bedvest Logistics runs its operation with some other third (3PL sub-contractors) party logistical suppliers which comparatively should be disordered and commercially non-viable.
- Bedvest Logistics is still relying old less efficient logistical techniques which would add a negative bearing on the already shattered image of the brand.
- Bedvest Logistics, to supply to one third of the restaurants, operates from different warehouses located all over the UK which perhaps for this number of restaurants would be possible but the entire 900 restaurants it would commercially, logistically be a nightmare for such relatively smaller company.

6. Success Measure:

Undoubtedly there are some unsettled issues with both of the KFC suppliers and if KFC continues its ties with DHL, unquestionably it would rectify its contingencies plans which might include finding ad hoc methods in such unforeseen situation and that presumably would look to break a robust supply chain by ensuring expectations of all the stakeholders, deliverables and interoperable relationships are understood and trusted by all – the capacity to break the chain is reduced resulting in higher customer satisfaction.

While sorting out with the logistical partners KFC also need to develop a perfect post-scandal PR strategy to recover its tarnished brand image among its customers ahead of time with confidence and calmness. The strategy should include round the clock monitoring in all

its platforms where the business might be referenced and devices to respond with honesty to any negative, critical postings.

Flexibility and consideration for all stakeholders of the supply chain are two core elements and attributes that a robust and effective supply chain and its stakeholders would possess. In a world with a rapidly widening competition landscape, integration in technology and inconsistent political atmospheres ensuring a transparent and mutually beneficial supply chain relationship is a strong route for success.

7. References:

Bartleby.com. (2018). *Problem Findings and Problem Solving - 1119 Words | Bartleby*. [online] Available at: <https://www.bartleby.com/essay/Problem-Findings-and-Problem-Solving-F3D8BVPJCB7S> [Accessed 27 Aug. 2018].

Richards, K. and Richards, K. (2018). *What KFC's Chicken Delivery Fiasco in the U.K. Will Mean for the Brand*. [online] Adweek.com. Available at: <https://www.adweek.com/brand-marketing/what-kfcs-chicken-delivery-fiasco-in-the-u-k-will-mean-for-the-brand/> [Accessed 27 Aug. 2018].

Priday, R. (2018). *The inside story of the great KFC chicken shortage of 2018*. [online] Wired.co.uk. Available at: <https://www.wired.co.uk/article/kfc-chicken-crisis-shortage-supply-chain-logistics-experts> [Accessed 27 Aug. 2018].

The Independent. (2018). *KFC goes back to old chicken supplier after embarrassing shortage*. [online] Available at: <https://www.independent.co.uk/news/business/news/kfc-fried-chicken-dhl-shortage-store-closures-bidvest-supplier-a8246981.html> [Accessed 27 Aug. 2018].

Debacle, A., Pelli, T. and Pelli, T. (2018). *Avoiding Supply Chain Breakdowns: Learning From the KFC Debacle*. [online] Scmr.com. Available at: http://www.scmr.com/article/avoiding_supply_chain_breakdowns_learning_from_the_kfc_debacle [Accessed 27 Aug. 2018].

TheGrocer.co.uk. (2018). *KFC supply chain fiasco is Heathrow's Terminal 5 all over again*. [online] Available at: <https://www.thegrocer.co.uk/opinion/columns/leader/kfc-supply-chain-fiasco-is-heathrows-terminal-5-all-over-again/563742.article> [Accessed 27 Aug. 2018].

Pete Groushko, H. (2018). *Top tips to build a robust supply chain*. [online] Supplychaindigital.com. Available at: <https://www.supplychaindigital.com/scm/top-tips-build-robust-supply-chain> [Accessed 27 Aug. 2018].

BrainyQuote. (2018). *Theodore Roosevelt Quotes*. [online] Available at: https://www.brainyquote.com/quotes/theodore_roosevelt_403358 [Accessed 27 Aug. 2018].