



اُنْفِقْ رِسَالَتِيْ بِاِتِّكَافٍ لَوْ كُنَّ مَنَابِرًا
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MARA

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GROUP ASSIGNMENT OF BUSINESS MODEL CANVAS (BMC)

“MCDONALD’S COMPANY”

PREPARED BY:

NO.	NAME	STUDENT ID
1.	NURFARZANA LIYANA BINTI NAWAWI	2020966295
2.	NOR’AI BINTI MOHAMMAD	2020982449
3.	ALIA NATASHA BINTI MOHD SHAH	2020975455
4.	NUR ATHIRAH BINTI GHAZALI	2020969203
5.	NOR ALIA AQILAH BINTI NOR AZMI	2019813986
6.	NUR ADILA BINTI MOHD NASIR	2019689354
7.	NUR SYUHADA BINTI MOHD ARIS	2020995241
8.	NUR AQILA NAJWA BINTI SAFFAR	2019630692
9.	NURUL NABILLA BINTI AZALI	2020859932

GROUP: ENT530X

PREPARED FOR: MADAM RAHAYU HASANORDIN

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1.0 EXECUTIVE SUMMARY

McDonald's Corporation is recognized as a "Centralized, International company" and has become a global company in fast food industries with outlets in 120 countries and over 30,000 restaurants worldwide. McDonald's concentrated on a specific consumer segment, identifying a target demographic, and contrasting marketing tactics to retain consumers. McDonald's characterized its operating system by focusing on uniformity for consistent quality, presupposes an improvement in service delivery, higher satisfaction for customers, cost-effectiveness, superior management of data, and meeting all set targets.

McDonald's used three main strategies to expand rapidly into foreign countries: franchising, company-owned restaurants, and joint partnerships. McDonald's management relied on this approach to help in the adoption of a modern way of eating in unfamiliar countries since franchising arrangements account for the bulk of overseas restaurants.

McDonald's wanted them to be committed to following the rules and doing new things. The company's implemented, smooth-running supply chain, McDonald's corporate management, and franchisees complement each other, creating an entrepreneurial spirit that adds value, creativity, economies of scale, negotiating power for advertising and buying, as well as new product and process ideas to the company. Furthermore, all involved parties concerned placed a strong focus on adhering to strict quality requirements.

McDonald's maintains a firm grip on operations, expense, and quality thanks to its unified, multinational framework. With an ethnocentric management strategy, McDonald's relies on domestic based logic and attitudes and transfers them to their international outlets and restaurants. Since McDonalds knows their weaknesses, they will strengthen their vulnerabilities so that they are aware of them. McDonalds also can change and create both opportunity and threat. As a result, the company will be able to make better decisions and develop its management skills, resulting in increased productivity.

2.0 INTRODUCTION

2.1 BUSINESS BACKGROUND AND STRUCTURE

McDonald's is a fast-food restaurant company that has more than 36,000 restaurants around the world that have served over 69 million customers daily across 100 countries. In Malaysia, they have served more than 13.5 million customers in 300 restaurants within a month. There are beyond 14,000 Malaysians employed in the McDonald's Corporation throughout Malaysia. In 1982, McDonald's opened its first franchise in Malaysia that was located at Jalan Bukit Bintang, Kuala Lumpur.

It was founded by McDonald's brothers, Maurice McDonald and Richard McDonald in 1948. Their first business was a hot dog stall that was located at Santa Anita track. Then they change to McDonald's by formerly serving burgers and milkshakes in San Bernardino, California. In the beginning, McDonald's sells their product which is burgers, fries and shakes with half price and faster time of production to compete with other restaurants. They also perform different ways on their restaurant operation by constructing a self-service counter instead of using the waiter service. They produce their product in advance and keep it under high power heating lamps to keep their food warm rather than cooking each meal based on the order.

The supplier of the restaurant, Ray Kroc who is a kitchen appliance salesman, was fascinated with the McDonald's business operation method. Upon that, he purchases the right to be the franchisor of McDonald's. Then, Kroc established the McDonald's Corporation and began to open the McDonald's franchise across the nation. His first franchise was located at Des Plaines, Illinois. Even though McDonald's was founded by Maurice and Richard, however, Kroc is the one that commercializes McDonald's and turns it into a mass market. In 1961, Kroc purchased the entire McDonald's shares and managed the company on his own. Today, McDonald's has become the largest restaurant chain worldwide.

2.2 PURPOSES

Business Model Canvas is a strategic management template used to develop new business models and document the existing ones. This canvas will reveal information about the clients you represent, the value propositions delivered across various channels, and how the business earns a profit. The business model canvas used to figure out its business model. Using a method like the Business Model Canvas will help to bring the company together by providing a straightforward picture of where the company is now, where it will go tomorrow, and how it will get there. By having business model canvas preparation, the business will have an overview of the value proposition as the fundamental value that is exchanged from a customer for money when a problem is solved or is relieved for them by your business. Hence, it is very important to know the customer segment as a division of a consumer base into groups of people who are similar in some ways, such as age, gender, interests, and purchasing habits. The value proposition has developed a persona and gets a better understanding of the customer segment. This is related to the customer relationship as it is how a business interacts with its customers, For example, in one person, online, or on another platform. This clearly shows that having preparation of a business model canvas allows us to learn about our own business and go through the process of connecting the dots between the idea and how to turn it into a business. It helps everybody in the business to get a better picture of what the company will be like in the future to achieve goals and profit.