

## CIS-625. Enterprise Systems Analysis and Design

### Case A - Denn's Fish House



#### Case Introduction

Established in 1967, "Denn's Fish House" is a regional restaurant headquartered in a Southern US City, with dine-in buffet restaurants and several fast-food franchise locations. Another line of business is their catering services where they operate four catering trailers from their main restaurant location which is also co-located with their corporate headquarters. Denn's service traditional southern dishes - chicken and fish - mainly fried food or "comfort food" which are cooked with plenty of butter and lard, served in big portions. Even though their food is not considered to be healthy it is very popular among their loyal customers and in their target market area.

Dennis, the founder and owner, still comes to work most everyday and is involved in major business decisions at his age of 74. In the past year, the Denn's family of stores were split into three legally separate companies between Dennis and his twin sons, Dan and Matt. Among the reasons of this new organizational configuration were to remain under a certain size in terms of number of employees (50 full-time employees or equivalent) to avoid responsibility for paying for employee healthcare under new federal regulations.

With the split, the sons have had more involvement in the day-to-day operations of the business and are now more vested in the financial health of the organization. Prior, the business would pay bills for many family members and extended family members - children, wives, grandchildren, etc. - for things such as personal vehicles, vacations, cell phones, and so forth. Now that Dan and Matt have their own group of stores to manage, they have restricted as much non-business related spending to the family members. Likewise, more family members have taken roles in the management of the business, keeping it "in the family."

The restaurants vary in type of store, from dine-in buffet, to stand-alone fast-food dining, and smaller operations co-located convenient stores/gas stations. In addition to the stores directly owned and managed by the family, Denn's licenses franchisees to operate other locations; however, the degree by which these stores align with and adhere to corporate rules varies with the desire of the franchise owner. Franchise rules are rarely enforced with even yearly franchise fees remain uncollected.

The catering line of business of Denn's is vital to the overall health of the business. With four fully self-contained cooking trailers, Denn's Catering can serve a minimum of 50 people or upwards of thousands when hired by large businesses and factories. The catering rigs are pulled to a customer location using heavy duty trucks about one hour prior to the meal time. A staff of two or three (or more for especially large events) will set up and cook all the food "hot and fresh" for the customers and set it up in a self-serve, all-you-can-eat buffet line. Within one hour, a Denn's Catering crew can feed thousands of hungry customers. Booking a catering job has many details and decision points for a customer and therefore requires many communications back and forth with the single company catering scheduler, Rose.

Rose is not a family member of Denn's but has worked in the corporate office for many years. She is quite adept at computers and also handles the company's advertising, billboards, graphics, and digital menus. When customers call Rose, they have to learn how Denn's caters. Here are a few of the business rules:

- No travel fee within the city. Additional travel expenses apply for other areas and that cost is non-taxable.
- 9% sales tax applies on catering jobs unless the customer provides a tax exempt number or letter.
- The minimum for catering is 50 adults
- Denn's workers arrive about 1 hour before and cook and serve for 1 hour once the meal begins
- Customers may take leftovers if they have their own containers; however, since Denn's cooks and serves to meet demand, there is usually not an abundance of food.
- Customers may reduce the cost if they provide their own serving ware or other supplies
- Customers must choose their menu, their sides, and their dessert
- Kids under the age of 10 are charge half price ONLY once the minimum of 50 adults is met
- Denn's keeps track of the number of guests by counting the number of plates given out. Customers can either keep their same plate or request a new, clean plate for more food.
- Once the number of guests is finalized (within 48 hours of the event), the customer is responsible for 85% of the number. For example: if the customer says the event is for 100 guests, but less than 85 show up, they still must pay for 85%. After they meet the 85% minimum, they pay for the exact number of guests, for example 90, 92, or 100. Denn's is equipped to serve approximately 25 more guests if more people show up than planned.
- The cost is figured for person: \$13.75 per person (plus tax) for the most popular menu.
- Additional add on costs may apply, \$0.50 per guest for an additional side item or for extra dessert.
- No tip or gratuity is included and is up to the discretion of the customer
- The event must be paid for in full one day prior for individual customers and shortages or overages are adjusted afterwards depending on the final count of guests. For returning customers and businesses, a deposit of 50% is paid upfront and the company is billed after the event.
- Events are booked for customers on a first come, first served basis.

As you may imagine, these rules can be complex for new customers or when the details of the event are not yet finalized; for example, if the number of guests are not yet known. The booking process can take many phone calls and emails back-and-forth to clear up all of the details. Typically a customer will contact Rose with the basic information (date and location) and an approximate number of guests. Rose will then email a quote with all of the contract information and they can reply and confirm to secure the booking for the event. In the time leading up to the event, all the details are made and both Denn's and Rose pride themselves on high-quality customer service and can be flexible with the menu, process, pricing, and most any other aspect of the catering experience.

Denn's Catering is highly-profitable, staying busy and also having the ability to know how many guests are at each event and then order the right amount of food and supplies, therefore greatly reducing waste. Additionally, a staff of two or three can handle large crowds at one event and work upwards of eight events a day.

Denn's Catering also vends food at one, two-week long very large public festival each year. During this, Denn's provides a limited menu of popular items and sells to customers right out of the truck. Unlike usual catering events, the quantity of food and people and food is unknown; however, these events are so popular that Denn's can sell everything it cooks and generate large revenues. These revenues are then used for many other purposes including the Matt and Dan's stores that are not part of Dennis' business (and even for Dennis' farm which is totally separate from the business entirely). Essentially, the catering arm of the Denn's keeps the rest of the company financially solvent and funds new store openings and equipment.