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Increasing Restaurant Start-Up Success: A Context and Needs Analysis for Food Business 101

**Introduction**

Food Business 101 helps food business start-ups in the United States. Food Business 101 contracted A Mythical Consulting Company (AMCC) to develop a learning solution to address a yet unidentified but important gap encountered as part of starting restaurants. AMCC will conduct literature research to target the specific need for this project as well as proposing a learning solution to address this gap.

**Organizational Context**

Food Business 101, a private entity, consists of three staff headquartered in Lansdale, Pennsylvania. Business operations are conducted primarily online. The organizational mission centers on increasing the incidence of food business start-up success using education, consultation, and collaboration (http://www.foodbusiness101.com).

Food Business 101 targets learners in the United States who cannot afford culinary school but still desire to start up a food business. The organization principal’s experience lies in working in the United States and this influences the geographic area. Culinary school students average 28 years in age that influences the organization’s choice of learners in the range of 25 to 35 years (http://www.nytimes.com/2014/03/18/education/culinary-schools-speed-the-rise-of-hopeful-chefs.html). Both male and female learners are targeted as a recent survey of the country’s fastest-growing and most carefully run restaurants show that women now comprise 30 to 50% of the staff (http://www.nytimes.com/2014/01/22/dining/a-change-in-the-kitchen.html?\_r=0).

**Problem Analysis**

Restaurants start-ups fail. Over the first three years of operation, 60% of restaurants fail (Parsa, Self, Njite, & King, 2005). Parsa et al. (2005) cite lack of management capability as the most significant single internal factor that contributes to restaurant failure. Restaurant owner’s lack of basic business skills threatens food business success (Poulston, Rosalin, & Goodsire, 2013). External factors include failure to understand the restaurant’s market and adapt to changes in customer trends (Parsa et al., 2005).

Building management capability starts with awareness of business functionality and how each function contributes to business success. While external factors are outside the control of restaurateurs, internal factors are more open to remediation. “Failures that are a result of managerial limitations and incompetence” (Parsa et al., 2005, para. 9) represent an unmet training need for restaurateurs. “The lack of strategy formulation in small family businesses suggests a lack of other business skills, putting family businesses at risk of failure” (Poulston et al., 2013, p. 619).

Lack of managerial capability represents a skill gap that requires an instructional intervention (Morrison, 2007). Management capabilities for a food business include understanding typical business functions such as marketing and finances. Capabilities also include understanding functions that are unique to food businesses such as menu development.

There are severe personal and financial ramifications for restaurant failure. The majority of funding of food business start-ups comes from the owners’ and relatives’ savings (SBA Office of Advocacy, 2011). Life savings invested in a failed restaurant can result in financial ruin for not only the restaurateur but for family members as well.

Two factors influence Food Business 101 pursuing distance learning to address this gap. The majority of business operations are conducted at a distance using computers and clients are used to online interactions. Finally, learners generally work long shifts which dictate that asynchronous courses that are consumed on the learner’s schedule would best fit the restaurateur lifestyle. “Online learning enables learners to pursue their educational goals while balancing a number of roles and responsibilities in their lives” (Stavredes & Herder, 2014, Chapter 3, Section 1, para. 3).

**Audience/Target Population**

Many learners are uneducated in all aspects of the food service industry. The vocabulary and language used in the course are no higher than a high school level to accommodate the various academic achievement levels of the learners. Since many learners tend to have primarily serving or cooking experience, both aspects of the business are covered in the course.

A second concern relates to the computer literacy of potential learners. Prior to enrollment, learners will need to pass a short assessment. This assessment tests the learner’s computer as well as hands-on computer skills. This sets the stage for learner success in the course. In addition, a video greeting giving general feedback on the prior week’s activities and outlining this week’s activities are posted on the main page of the course. This will help accommodate these learners, create a sense of urgency as well as provide encouragement to continue in the course.

**Proposed Solution – Course Overview**

The proposed course named Action Planning for the 12 Dimensions of Your Successful Food Service Business introduces restaurateurs to critical managerial concepts and invites them to start action planning for an actual business. This online course takes 14 weeks to complete. The first and last weeks of class introduce and wrap up the course. The remaining 12 weeks cover content on managerial topics including leadership, team dynamics, management, staff, systems, financing/cash flow, marketing, menu, communications, equipment/textiles, technology, and planning.

There are formative and summative assessments for the course. Each week, formative assessments are held on the previous week’s topic. Discussion forums for each dimension are released the week of the topic introduction and continue into the next week. Discussions support the building of the summative assessment and are pivotal for the learner to construct knowledge. The summative assessment consists of a five-page action plan to describe the learner’s vision of the 12 dimensions of a proposed or actual food business. This plan can serve as a basis for the student’s business plan.

Ally (2008) champions the use of “constructivist strategies to teach the real-life and personal applications and contextual learning” (p. 39). Application of these concepts in the learner’s real-life businesses are crucial to ensuring restaurant success. Therefore, a constructivist approach makes sense for this course. “Constructivists tend to favor problem-solving activities that are linked to student interest, that have at least some of the ‘messy’ attributes of real-world problems, and that are meaningful and satisfying for students to solve” (Lebow, 1993, p. 9). The action plan as part of discussions as well as in the summative assessment helps students solve a real-world problem of great interest to them.

**Course Goals and Objectives**

At the end of the course, the learner will:

* Identify the 12 dimensions of a food business
* Describe the top three characteristics of each dimension
* Create an action plan for each dimension describing either a proposed or actual business

The learner’s achievements of these objectives are measured throughout the course based on participation. Traditional grades are not used as the course does not comprise part of a for-credit program. Learners earn a badge upon course completion.

**Delivery Media Analysis**

Due to budget constraints, AMCC must find free online tools to implement this project. Moodle Cloud allows creation of courses at no cost (https://moodle.com/cloud/). ManyCam provides a free tool for recording instructor videos (https://manycam.com/). Moodle Cloud provides the remaining affordances required in this course:

* Presentation of video and text
* Forums for the learner discussion forums as part of the course’s formative assessments
* Quiz making capabilities as part of the course’s formative assessments
* Assignment submittal for the summative assessment
* Private Messaging enabling instructor-to-learner and learner-to-learner communications (https://docs.moodle.org/29/en/Features).

The course design incorporates features that increase learner persistence and success. Scaffolding in the form of text content increases learner persistence in the course (Stavredes & Herder, 2014). Videos are a tool to build instructor presence and assists with persistence (Stavredes & Herder, 2014). Another feature to increase persistence includes discussion forums that build a sense of community between learners (Stavredes & Herder, 2014).

**Conclusion**

Food Business 101 contracted A Mythical Consulting Company (AMCC) to conduct a context and needs analysis about food business start-ups. A literature review revealed that a major contributor to food business start-up failure stems from a lack of managerial knowledge. Learner characteristics and the organizational model suggest that the development of an online course best meets this need. The increased capability of restaurateurs who complete the course helps to fulfill Food Business 101’s mission to increase the success of food businesses in the United States (http://www.foodbusiness101.com).

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