INTRODUCTION

The operation management processes of the organization play the important role through which all resources are integrated for the purpose of achieving certain pre-specified objectives (Gou, Huang, Liu and Li, 2003). This enables management to integrate all related resources and support business activities for creating the competitive edge in the marketplace. The present report is based on Deliveroo; a British online food delivery medium sized business situated in London.. The daily operation of the business is based on orders placed by customers via website and the delivery is made from company’s varied transportation facilities such as motorcycle, bicycle or car couriers from restaurants to customers. The company has contacted with several restaurants to bridge the gap between customers and company with the employment of 13000 personnel (Deliveroo, 2016). The wide spread network of Deliveroo cover large areas such as Spain, Ireland, France, Netherland, UK, Italy, Australia and Singapore etc. The money is made by the business through the commission fee charged from restaurants and fee charge by the customers per order. In this regard, Deliveroo offers fast service for just £2.50 and generated revenue worth £129 million by 2016 (Deliveroo, 2017) The company operates with its online channel and offer opportunities for customers get their desired products with just a click. The company decided to expand across the nation during 2015 with $16-million funding round led by Accel Partners (Deliveroo, 2017)

The report covers analysis of key operation processes of the firm with the inclusion of aspects of waste management and cost reduction for meeting the expectations of end users. On the other hand, the actual performance of the business has been analyzed with the identification or critical discussion of 5 performance objectives. Additionally, the supply chain of the company has been critically analyzed for a demonstration of supplier relationship management and timely delivery of services. Moreover, recommendations have been provided for the improvement in the operation of the business.

Analyzing the key operations management processes used in Deliveroo

There are different operation management models used by the organizations in order to produce the end product for the customers. There are different types of operation management models such as process, product and service. These models are used in accordance with a requirement of the business (Fitzsimmons, Fitzsimmons and Bordoloi, 2008). Since Deliveroo is dealing with the online delivery of eatables, so it follows process management in which company hire suitable or competent personnel who can effectively cater the requirement of end users. For this purpose, management of Dliveroo ensures that it has the good quality of vehicles which can be helpful in transferring the food from one to another place. At this juncture, vehicles contain both hot and cool storage whereby food remains in the same situation as it is delivered by the restaurants. The daily operation of Deliveroo has been demonstrated as follows-

The matrix structure is followed in the Deliveroo for handling the rapid growth of the business. This enables management to deliver the product end users and meet that expectation of large number of buyers.

Generally, all companies have a single thing as the common as they all provide input for getting the desired output. For this purpose, different ways are used by the companies where major ways are explained as follows with the help of 4Vs. The 4 Vs model facilitates to explain the operation process of particular business through which company can easily being the modification in the requirement department of the company (Stevenson and Hojati, 2007). This reflects how business is carried out or input is converted into the desired product for accomplishing long as well as short-term objectives of the business.

* *Volume-*The volume of output plays important role in determine the effective way to processes the internal operation. The Deliveroo is dealing with the online delivery services only. Owing to this, its volume of output is greater as it workers several restaurants on the basis of set criteria. However, the route decided for taking the food is not same but the procedure is same. It is considered as the repeated task for the business so as to save the time and associated. It leads to deliver services quickly and generate higher revenue for the company. At this juncture, the company wants customers to place the minimum order worth £15 with the delivery charges £2.5 (Deliveroo, 2017). The below mentioned picture is showing the internal operation of the business to manage the high volume of order. For example, separate department are formed for packaging which enables customer to get their order in an effectual form.
* *Variety-*In the context of various dimension, Deliveroo is considered as the one the best organizations as it deals with a number of favourite restaurants of clients and accordingly provides them with the good quality of services. This proves to be effective in deriving the valid outcome and meet the expectations of clients in an effectual manner. At the same time, Deliveroo shed light on the hygiene and quality of food products.
* *Variation-*The demand increases continuously because of good quality of services offered by the business. It helps business to discover new market by leveraging the widely adopted technologies and low-cost strategy along with in-house platform with the support of optimized drivers’ route and algorithms in order to meet demand of buyers. However, the issue pertaining to network affects the demand of the products and services because delivery gets late (Deliveroo, 2016).On the other hand,the quality of service delivery offered from the Deliveroo differs from others as it allows company to cater the requirement of customers in an effectual manner. At this juncture, maximum delivery speed is 20 to 60 minutes on the basis of the destination of consumers. Owing to this, Deliveroo need to employ skilled and competent personnel along with investment of huge amount of money. However, customers are provided services to place their orders in the listed restaurant within the range of 2 km. It is called as the hyper-local model of the organization.
* *Visibility-*The visibility dimension is linked with the customer experience from the operation process of the company. For this purpose, Deliveroo ensures to hire own drivers who carry scooter, bicycle and another vehicle with attached Deliveroo food box. This reflects strong identify of the business in the marketplace and create its competitive edge (Deliveroo, 2017).

The hyper local model (as shown in the following diagram) requires less capital than the inventory led models of the business through which company can effectively focus on single locality. This model works virtually without any kind of inventory, warehousing and logistics management that aid business to deliver the services immediately (Joshi, 2015).

Deliveroo’s operation management processes are based on the above-mentioned hyper-local model through which company ensure speedier and timely delivery of varied products and services. Furthermore, hyper-local model facilitates to predict traffic and distance whereby small area can be covered with the target of high turnover of deliveries.  The company follows three tiers hyper local model in which customers remain in the contacts with the courier’s services of Deliveroo and the company contacts number of restaurants. Since, the firm is operating in London where commercial and highly populated dens area can be covered with the application of hyper-local model (*London experience world impact*, 2017). At the same time, customers tends to believe on the companies with the hyper local model due to physical presence of the business. It allows them to resolve their grievances and retain customers for the long time span. Therefore, daily operation of the Deliveroo is based on the hyper local model (Joshi, 2015).

Additionally, the company ensures to manage the waste by adopting the effective packing system.  In this regard, restaurants are also suggested regarding the re-usable packaging. Furthermore, bicycles are also used for the delivery of product through which Deliveroo promote the natural environment. At the same time, the strategy of using the bicycle is considered as the cost-saving approach because a company does need to refuel its vehicles. However, other vehicles are used for the sake of fast delivery to high distant areas (Emiliani, 2000). Therefore, a company is putting efforts to reduce the waste, increase the volume of revenue and reducing the cost of operation.

Critically discussing 5 performance objectives applied to Deliveroo

Every organization works for some specific objectives so as to get the desired results. The key objectives enable corporation to arrange for the resources and set strategies in the right manner. The key performance objectives of Deliveroo consists of fast delivery, hassle free delivery solution, innovation in the products and services along with increase in the customer base. The first objective reflects all about delivery of services that determine the key success of the business by bridging the gap between customers and the firm. On the other hand, sales turnover is targeted with the increasing customer base on the basis of innovation in the services. These all efforts lead to accomplish the objective related to hassle free delivery of products to end users.

* *To provide the fast delivery of desired products-*The major key performance objective of Deliveroo is to provide the fast delivery services for customers with the association of highly skilled and competent personnel. This proves to be effective in deriving the valid outcome and enabling management to cater the requirement of customers in an effectual manner. However, the company allows customers to select the restaurant available in the range of 2km areas for fast delivery. Owing to this, it becomes necessary for a business to select the suitable locations which can facilitate in offering the home delivery for the desired restaurant. Yet, the firm is putting continuous efforts to improve the customer’s experience by creating its competitive edge in the marketplace. On a critical note, some specific cases occur where company get late in delivering the product to the right location within the given time span. This can affect the customer satisfaction level and rate of return on the business (Yuan, Zeng, Skibniewski and Li, 2009).
* *To provide the hassle free delivery solution-*Being with a successful online delivery business, Deliveroo targets to provide the hassle free delivery solution by an employee the models like hyper-local. This enables an organization to work as the mediator between customers and number of restaurants with the effectiveness of reducing the delivery time and offering the best quality products to users (London experience world impact, 2017). In this regard, management of the corporation focuses on increasing the sales turnover and deriving the valid outcome. Furthermore, latest technologies are used to assess the traffic situation and accordingly proposed the solution is provided so as to determine the product can be delivered on the same.
* *To increase the sales turnover-*The key objective of Deliveroo is the increase the sales turnover by increasing the number of customers who love their favourite restaurant and want the outstanding dining at home. However, the company has to increase the cost of the term of purchasing the vehicles and hiring the suitable personnel can render the good quality of services. On the other hand, the company incurs the huge cost in its expansion through which it becomes easy to cover the large geographical area to provide the quick services to customers (Arbaugh and et. al., 2009).
* *To keep on innovating-*The another crucial objective of Deliveroo is to keep innovating its varied products and services. In this regard, management of business tries to bring innovation in their service delivery by giving occasion discount to customers. It facilitates to retain them for longer time span as they find it as the best place to get the food in relatively less time (Frolick and Ariyachandra, 2006). However, other competitors are not offering such kind of services as provided by the Deliveroo because it is connected with plenty of restaurants which offers several choices for the consumers. At this juncture, the company brought innovation with the RooBox approach wherein it introduced the concept a kitchen without any attached restaurant. It was helpful for smaller restaurants to expand because the demand for the product was increased with the faster delivery of the business. This proves to be effective in increasing the reliance of other restaurants of the Deliveroo and accordingly objective relative to continuous innovation can be achieved.
* On the basis of the aforementioned analysis, it has been found that Deliveroo is outperforming in the marketplace with the clear description of its performance objectives. This leads to cater the requirement of all related parties and support corporation to increase the overall rate of return. On the other hand, the company seeks for continuous innovation whereby a large number of customers can be satisfied and retained for longer time span (Wright, Gardner and Moynihan, 2003). Not only is this but the extensive support being provided to a large or small restaurant which determines the upward direction of the business. This is because Deliveroo is building more clients from which consistent rate of return can be maintained. It is the only strength whereby business can innovate its varied products and services with the expansion. In this regard, Deliveroo put continuous efforts to expand at the global level by containing many large restaurants chains. This proves to be effective in providing the great dining experience for both old and new customers. However, extensive delivery time or poor quality of food from a specific restaurant can have the negative impact on the brand image of the business (Stevenson and Hojati, 2007). Owing to this, a company has to ensure that quality of a product is up to the mark and customers or clients are highly satisfied with the same.

Critically discussing the supply chain of organization

The supply chain management includes the management of raw material, overall procurement and delivery of products to end users. It plays the important role for the business in maintaining the consistent flow of production. In this respective, management of Deliveroo follows the purpose to supply on the basis of mobile application technology and web-based system. The rationale behind using such kind of supply chain management is to minimize the cost and ensure fast delivery of products and services. However, multiple suppliers are connected with the firm in order to provide the desired products for customers. These multiple suppliers consists of several food and drink restaurants. Also, numbers of suppliers are involved in the distribution chain such as drivers, cyclists and bikers etc. who deliver the product to end users.  Ngai, Cheng and Ho (2004) explained that web-based supply chain is based on five critical success factors which should be considered by the organizations. It consists of communication, training and education, top management commitment, data securities and hardware & software reliability. These components make it possible for companies to resolve any kind of barriers taking place between the companies and suppliers. This is because clear communication is established with the inclusion of a suitable source of information.

At the same time, training and development are important to the existing employees of the business. This results from the smooth operation because personnel do understand the internal operation in the proper manner. However, a certain percentage of cost is devoted to the continuous training of employees through which it becomes easy to enhance the existing knowledge level of employees. However, Deliveroo faced criticism due to the employment of inexperienced riders who ride their bikes without light in the dark. This has the direct impact on the delivery time as they find it difficult to deliver the product on the time (Laker, 2016). Such kind of practices affects the brand image of the business as riders of the companies wear its profession dresses which showcase its image in the streets. Owing to this, Deliveroo to ensure to have the right transportation facilities through riders do not face an issue in delivering the products throughout the day and night. The below-mentioned graph is showing how Deliveroo is covering wide area for delivery of varied goods and services.

Tan, Shaw and Fulkerson (2000) asserted that use of internet or external technologies assists business to share the information between business partners, customers and company itself. This makes it possible to form new strategies in accordance with the objectives of the business. At the same time, software component technology plays the significant role in integrating the heterogeneous information system in the form of a virtual information system. This reflects that Deliveroo can ensure its smooth operation with the help of appropriate web-based supply chain management. On a critical note, a company should cope-up with the technological innovation so as to keep pace with the changing scenario. Otherwise, its competitive edge would get affected in the long time span (Mikurak, 2003).

Croom (2000) studied that web-based procurement aid in the significant cost improvement along with the strategies leverage. This reflects that products can be purchased at relatively lower cost with the expectations of higher benefit. This enables a corporation to integrate all related resources support the business in accessing the suppliers who provide quality products and services. In this manner, as shown in the figure 9 Deliveroo is getting extensive benefit out of the web-based system through which cost is minimized to a great extent with the retention as well as the attraction of customers. In the same fashion, Johnson and Whang (2002) explained that web-based supply chain management is positively affecting the business in interacting with others and customers. They further claimed that web-based supply chain management faces several issues such as high transaction cost, poor information availability and management of the complex interface between different functional organization.

This clarifies customers regarding its varied products and services. With the inferences of this study, it can be said that Deliveroo is managing the effective supply chain wherein customers are communicated with the mobile application and website for all their orders. Also, they are provided opportunities to select their desired restaurants. This liaisoning between food sectors and customers assists business to achieve the higher rate of return. However, Deliveroo does not need to increase the storage cost due to online delivery services. Yet, the major requirement related to vehicles and internal technological should be sound to cope up with the changing scenario.

Therefore, a web-based supply chain can be maintained with the effective maintenance team and engineer who can update the system on the basis of the time required. This is important for the success of online business otherwise, the organization might suffer from low sales turnover and low market share. Yet, cited online delivery business is effectively meeting the requirement of customers with the internal operation of the business. However, a company will be facing an issue in case of issues such as down server, poor information availability. Therefore, some critical issues should be focused on the business in order to ensure sustainable competitive edge in the marketplace with the strong supply chain.

Identifying and justifying the recommended improvement to the operation

On the basis of the aforementioned analysis, it has been found that Deliveroo is performing very well in the marketplace. It has effective operational facilities through which management can effectively increase the sales turnover and cater the requirement of customers. This in turn business can create the competitive edge in the marketplace with the increased share price. Also, it has been noted that company faced issue related to inexperienced riders and some critical issues associated with supply chain management can have the direct impact on the future performance of the business. However, business should follow, below mentioned recommendations for its long-run survival and sustainable competitive edge in the marketplace. With the compliance of following mentioned recommendation company may be able to take proactive action for its success and growth in the in the marketplace-

* *Motivation employees*-The motivation among employees enables firm to operate successfully by keeping the customers highly satisfied. Owing to this, it is crucial for management of Deliveroo to understand the requirement of personnel and accordingly provide them motivation so they can effectively contribute towards the success of the business. In this regard, employees with the outstanding performance can be rewarded by giving both monetary and non-monetary reward. This can be done with the help of getting feedback from customers that how effective the service delivery was. This proves to be effective in tracking the performance of employees and providing them with an appropriate reward in order to boost their morale. Apart from this, performance criteria can be set for employees delivering the products and those who are handling the internal operation. This would be effective for them achieve their targets and work in the direction of growth and development of the business.
* *Right transportation*-Being online delivery company, it is important for Deliveroo to have appropriate or excellent transportation facilities in order to ensure the hassle-free solution. In this regard, a company should contact the supply of bicycle or bikes on the contract basis. This would be helpful for business to place the bulk order to meet the requirement across the globe by offering good quality of delivery services. At the same time, placing the bulk order, the business can get the certain percentage of discount which leads to saving the cost to a great extent. Additionally, a company can ask for the bicycle with the lighting which aid employers to deliver the order during the night. This will also strengthen the supply chain because the employee will find it convenient to complete their job.
* *Training and development*-This are considered as one of the most effective approaches for a successful operation of the business. This is because if an organization is having skilled and competent personnel then only it would be able to retain customers by meeting their expectations in an effectual manner. Being online business, Deliveroo needs to ensure that its personnel possess enough knowledge for operating the internal new technology and they are able to track the traffic hassles caused during the delivery. For this purpose, experts can be hired who can guide employees to track over the technologies and ensure the fast delivery of products and services in the right place. This would be effective for the corporation to keep the personnel updated.
* *Upgradation of technology*-The technological upgradation plays the important role in the business especially the one operating in the web-based supply chain. In this regard, research and development team should be active to collect data for introducing the new technology. For this purpose, engineers or experts can be hired by the business who can ensure to upgrade the system at the right time. This leads to derive valid outcome and meet the expectations of all related parties. Additionally, outsourcing can also be used as the effective aspect through which Deliveroo will remain stay updated about the latest technologies and its effectiveness in creating the competitive edge of the business. Moreover, the immediate feedback system can be improved on the basis of time and making it’s more interest so that customers do not feel the burden of providing it.
* *Customer feedback*-In order to get feedback from customers, a company should review its internal system from time to time. However, an internal team can work on the comments or update provided by the employees. This would be effective in changing the internal operation and offering the training among personnel. At this juncture, quick feedback provided by the customers can trace in order to meet their expectations in a more effective manner. At the same time, buyers should be allowed to suggest some ideas regarding the delivery of products. Therefore, effective evaluation of customer’s feedback makes it possible for the business to provide the services in a more better and modified manner. It leads to derive their high level of satisfaction and retain them for the long time span.

Impact of recommendations on the Deliveroo

The continuous upgradation into the products and services will be helpful for company to attract more buyers and create competitive edge of the business in the marketplace. This is because upgradation is done on the basis of feedback of customers and requirement of business change to survive in the changing requirement. In addition to this, employees are key to determine the success of the business; therefore, their motivation and zeal will be effective for Deliveroo to improve the services and ensure faster delivery of product. Moreover, technological upgradation would be helpful to track the order in relatively less time and provide great experience the customers. However, in order to implement all the suggestions company will have to incur the cost but long term benefit will be derived to it.

CONCLUSION

The aforementioned report concluded that small business should track the performance with the continuous change in its strategy to offer the product and keep the employee or customers highly satisfied. Moreover, operation processes should be controlled with the inclusion of skilled and competent personnel. This facilitates to increase the sales turnover and greater market share of the business. Additionally, key performance objectives of Deliveroo clarify the vision or mission of the business among personnel so that work can be done accordingly. It can also be concluded that effective supply chain is important for the business to reduce the cost of operation and retaining the customers for the long time span.