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# KFC Reputation In The United Kingdom

## INTRODUCTION

KFC UK is a bit of Yum! Brands, similarly, as Pizza Hut and Taco Bell. Around the world, the Yum! Brands framework has 43,000 restaurants in 135 nations (Yum China Launches Taco Bell Brand In China, 2017) with 842 of them in the UK and opens more than six new restaurants for each day by and large, making it a pioneer in worldwide retail advancement. Yet KFC UK was facing a significant challenge for the shortage of fried chicken on 13 Feb 2018 because of delivery contract changed to DHL, which is blamed operational issues for supply disruption which cause to shutdown of around 70% KFC restaurants which led the customer to a bitter taste. All most, every year there is 10% of supply chain gets disruption due to high demand of KFC in UK

## CONTENT

KFC UK is suffering from failure supply of goods in terms of time, quality and quantity resulting in incomplete orders which became a good time for social network and news media to cover and kill time by showing KFC with no chicken continuously. Due to high interconnectedness of the supply chain failure of one form does not fail one form it also effects the upstream and downstream. Nothing best explains this but KFC's recent chicken shortage. The supply chain between KFC and DHL came together on 13 February. But DHL operates the physical warehouse with QSL services where they use its I.T system for demand planning and workflow management. KFC UK chooses DHL because of cost cut measure used by KFC to lower its operational costs due and labour costs and another reason was to improve space utilisation as DHL and QSL plan to maximise the operation of the warehouse and keep inventory visible with the help of software. On 13 February, KFC faced risks in informational and physical sub-chains. QSL's software issues accident in the warehouse vicinity on which causes a traffic concession as the truck departed from the warehouse. In a result, due to a disruption in KFC's upstream supply chain, it incurred high operational cost as KFC failed to fulfill orders. It follows a disruption in supply of chicken shortage followed by the gravy shortage which in results closure of almost 70% of KFC restaurants and lost revenue of up to 1 million pounds a day and an estimated of 4.2million pounds a week. It became a important topic for the people of UK that how the supply chain companies really work and are eagerly waiting for fresh chicken from farms to stores. This situation has proven a reality of modern business and dream for KFC chicken to get back in their restaurants.

Due to the decision was made by the KFC to lower logistic expense until 12 February, KFC's chicken was delivered by South African-owned distribution group Bidvest, which describes itself as 'the leading supplier of logistical and supply chain solutions to the UK hospitality and restaurant sector' (Chicken chaos as KFC closes outlets, 2018). But after the change in the contract, many of the food giant's outlets began running out of chicken products.

We've brought a new delivery partner on board, but they have had a couple of teething problems – getting fresh chicken out to 900 restaurants across the country is pretty complex," it said, adding: "We

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Would not compromise on quality, so no deliveries have meant some of our restaurants are closed and others are operating a limited menu, or shortened hours.” (Holdingson, 2018). They needed to upgrade their systems to achieve operational and business benefits.

This KFC closures have led to complaints and ridicule from customers. YouTube user The BigPac recorded a video of his frustration after finding “three or four” KFC closed in the Manchester. He said: “I cannot believe KFC ... we’re going to hit a MacDonald’s up. That is shit mate. We like our chicken.” He added: “I am proper wounded that no KFC is open. Not one. You need to know about the KFC situation.” (<https://youtu.be/D8Ww0-rrhzc>). The KFC supply breakdown has had a serious impact on many people: the franchisees, the employees as well as the brand as a whole. Immediate lost revenues, huge amounts of management time, damaged shareholder value and a large group of regular customers who tried a different fast food outlet. So, lessons need to be learned (wilding, 2018).

## RECOMMENDATIONS AND CONCLUSION

A KFC without chicken resemble a bar with no beer. A general shortage of distribution staff coupled with software problems is comprehended to have caused issues at DHL depot, prompts to lack age in KFC's chicken. This staff shortage was a general problem that was only going to get worse and find themselves in bad situations to KFC (green, 2018). He said senior management at KFC would want to know why DHL, which is not specialised in food delivery, was appointed over previous supplier Bidvest which is 'Heads will roll on both sides because of this,' Here's some recommendation to avoid such problems when choosing a new logistics provider.

1. Do legal requirements- They need to work on three conditions. Firstly, find the organisation or supplier is financially strong enough and not likely to have a difficulty of money to tackle such shortage distribution staff or truck. Secondly, the company must be commercially strong enough check the other contracts and relationship they had? Try to understand their working conditions, how they have worked and the issues they are suffering from? What is their market reputation within the other organisation with high reputation like Burger King, and Taco bell? At last, Operational, what kind of nature they have such as infrastructure, facilities, cold storage, trucks and fleet? Be a viewer to view these all conditions of finance, commercial and operational to get the best outsource by having a trial period for large contracts and check how it goes?
2. Weigh up the risks - usually, logistic operations cost organizations somewhere in the range of between 4-10% of their business value. Along these lines, regardless of whether a 10% money saving advantage is accomplished by changing contractor, this represent 0.4-1.0% of sales. KFC's loss of sales will in all respects rapidly oppose those advantages.'
3. Contingency planning and Get the contract right 'We would always insist on detailed planning, rigorous management of the preparation and operations set up, and of course, close communication between both parties well before the long-term contract start. To have a long-term agreement, a face to face communication is crucial to build trust between a company and a distributor to create a trust fair environment. This creates a trust build environment to decrease a non-cooperative behaviour “Ideally, the agreement would determine the conditions in which KFC would feel unable to open a restaurant following a distribution failure and sets out concurred solution for each day

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that this happens. Contiguous planning as risk assessment to part time at higher cost. Delay to cost may cause the quality by chain disruption but also leads to trade loss.

Information sharing is one of the major mysteries to have a supply chain efficiency and take into consideration in effective decision-making. The quality of the shared information matters in effective information sharing. Integrating information helps the managing in a timely manner and shorten the time needed in tackling supply chain disruptions to have a better collaborate firm project with its partners. Trade-offs should be considered to have a assessment to the solutions.

To conclude, the shutdown of 750 restaurants because of shortage of fried chicken will lead to make the KFC reputation worse in between their customer due to new delivery partner on board. I recommend that KFC should do care about the legal requirements taking in account of financial, commercial and operations such that the new delivery contracts should ensure KFC that there are detailed schedules covering the on and off or transfer activities. If still a new contract fails to deliver their best, KFC should make a planning such that contract should set out the steps to be taken after a failure, recovery steps and ensuring that there are investigations and reports to assure that lessons can be learned. Spectacular failures are virtually never deliberate and damage all of the parties – a true measure of all parties is how they resolve the issues and manage the potential reputation to their brand.

## References

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