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# Management of Chinese restaurant

Business management

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<p><b>Abstract</b></p> <p>With Chinese economy developing rapidly, the Chinese restaurant is under the spotlight, but the management of Chinese restaurant is weak at the moment, especially on the service management, which is an important part of service management in the Chinese restaurant. On the other hand, the managers of Chinese restaurant should pay more attention on the service management for instance brand, service innovation. Service management is core and essential concept for every service company recently, meanwhile, at the same level of external facts like quality of products and low-cost raw material, service will improve the competitive advantages of company. What's more, what best service is offering what customers' need, in order to increase the advantages of competition. the leader can use the excellent qualities to inspire the employees, a team to achieve the goals, at the same time, an effective leader is going to manage the relationship with others and create positive outcomes; The styles of predominant leadership mainly have autocratic, democratic, and laissez-faire, in addition, there are two more new-trend leadership style----transformational and transactional leadership, the leader will understand when to be autocratic, when to be democratic ,and when to transformable and transactional leadership, in other words, an excellent and successful leader will apply appropriately leadership styles into different developing stages of the company. Team is generally in short a definition of a group of people working together to accomplish a goal, as a matter of fact, the teammates are responsible for reaching the goal, The problem-solving teams mainly focus on a problem related to marketing share or innovation of new product, hence the form of team is a temporary period. A company aspires to build a high-competence team to approach the goal and perspectives, importantly needs the employees to put their efforts and intelligence into the team works in order to reduce the potential disputes and problems. And a successful company is supposed to build an effective team to support the sustainable development of company. I interviewed 2 owners of business Chinese restaurants(Ma Baosheng, MrX) and one officer (Zhao Hong)in the Chinese catering and health food department . During these interviews, I can definitely figure out what problems the Chinese restaurants are confronting. Meanwhile, relying on the problems, we can build a completely reasonable management system in the Chinese restaurants. And during the interview the interviewees had to figure out the service management, leadership and team-building in the Chinese restaurant, and the outcome of interview had pointed out the importance and effective influence of management in Chinese restaurant such as brand, innovation, technology, service. Meanwhile,</p>	

on the part of the developing management of Chinese restaurant, it pointed out the best managerial business model for Chinese restaurant is multi-channel model. Chinese restaurant can only strengthen channels of upstream and downstream, in order to enhance the competitive ability and management. Relying on the service management to increase more channels, the Chinese restaurant is supposed to be stronger and increase the ability of overwhelming risk.

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## **1 Introduction**

A Chinese restaurant is a fantastic place to taste food. How to improve the management is a hot issue many owners of restaurants are facing, hence the management, especially the service management is playing an essential and core role in a Chinese restaurant. Management leads the owners to pay more attention to the front-line management; what's more, the notion of service management is changing the trend of the management of Chinese restaurants in China. For instance, the Chinese restaurant is about to strengthen the training program of staff's service and etiquette. On the other hand, the management of Chinese restaurant is inevitable to refer to delivery and innovation and more. Chinese restaurant as a traditional business is necessary to improve the new dishes and new marketing method, even the attractive atmosphere and theme or style which will satisfy consumer's special need. In other words, on the condition of the effective management, the Chinese restaurant is supposed to increase competitive competence and lead the competitors.

To some extent, Chinese restaurants as a part of service industry are more vulnerable than foreign restaurants like French restaurants or American fast-food restaurants, that is, the excellent management is determinant to the 'life span' of Chinese restaurant in the fierce competition. In addition, management is going to put more effort on bringing local Chinese restaurants to be international ones. As an entrepreneur with long-sight view and advanced-knowledge, we should be aware of the entrepreneur's sparking character and leadership which guide and aspire to the employees to contribute their intelligent and passion into actual work; personally, the manager of the Chinese restaurant not only enhances management knowledge, but controls and manages the employees and managerial condition of restaurant. Chinese restaurant field relies strongly on the performance of employee actually. With improvement of service quality and awareness of management, Chinese restaurants will explore 'new land' in the service field, at the same time, the Chinese restaurants will be booming

both China and other foreign countries so that the upstream and downstream companies relating to Chinese restaurants are supposed to be flourish.

What's more, the research of Chinese restaurants aims mainly at the management of the Chinese restaurants, for example service management, and service innovation, hiring qualified people, in addition, the research is going to find the marketing opportunity the development of Chinese restaurant, for instance the issues happened on the Chinese catering industry(2002-2006), hence the managers of Chinese restaurant are supposed to change the management model and managerial strategy to fit the developing trend. Discussing with Ma Baosheng (a Manager, the Chinese seafood restaurant), XXX (a manager, the Chinese hot-pot chain restaurant), Zhao Hong (an officer, the catering and food health department), we can comprehend clearly how management influence the Chinese restaurants and the future development and the condition the Chinese restaurants are facing.

In addition, the thesis is to figure out the suitable management to fit the Chinese restaurants in China and promote further development in the future. On the other hand, the thesis is going to point out how the management influences the Chinese restaurant, and the manager in Chinese restaurant and me are supposed to get the precious experience and suggestion on management of Chinese restaurant, in order to develop and increase competitive ability of Chinese restaurant in business arena.

## **2 Leadership and team building**

The Chinese restaurant absolutely needs an effective and qualified leader and team, in order to guarantee the management in the Chinese restaurant. In other words, a qualified leader and an effective team are the two essential cornerstones of management; meanwhile the management is to decide on the 'lifespan' of Chinese restaurant.

## **2.1 The leadership**

As to the leadership in the company, a good leader is going to lead a company to on the track of glory. A successful leader is able to affect others, the leader can use the excellent qualities to inspire the employees, a team to achieve the goals, at the same time, an effective leader is going to manage the relationship with others and create positive outcomes.( Susan Wasrd,2008) Business leader can get an amazing triumph from the catastrophe, meanwhile, leaders is able to learn from failure and have a strong purpose of focusing on the goals in spite of the temporary setback or obstacles or adverse situation. There is a saying: the leaders can bend but can't break, meaningly, the leaders are implementing the flexible execution, as a matter of fact, the leaders can encourage the people to stretch and make efforts to fulfill the company's mission and get the desirable results.

On the other hand, leadership intends to inspire others and do the right thing, most leaders are able to have a long-time perspectives and plans on the goals, but have innovative methods to accomplish the goals they set up already. As Dwight D.Eisenhower said' *leadership is the art of getting someone else to do something you want done because he wants to do it*', the leadership, to some extent, gets involved into actual job, the strong leaders are able to create the role in the organization, and help others gain growth and development in the business activities, and have an outstanding ability of turning weakness to strengths.

## **2.2 The styles of leadership**

The styles of predominant leadership mainly have autocratic, democratic, and laissez-faire; in addition, there is two more new-trend leadership style----transformational and transactional leadership

The autocratic leadership style is both guiding and controlling, the leader is going to make all decisions without consulting top-management or middle-level. In other words, the autocratic leadership means to limit employee's freedom of the expression of their opinion on management and participation in the decision-making procedures. The autocratic leadership is deemed to result in a non-trust issue happened between leader and employees or headquarters and subordinates, what's more, the creative minds will be off the company under autocratic leadership.

The autocratic leadership is better applied in a company with less-experienced employees, in order to guide and monitor employees. But if the autocratic leadership style can be utilized when employees actively participate into decision-making or feel fearful and resentful, it will lead to a series of horrible consequence in the company, such as the departing of core-managerial employees and employees loss confidence in the company.

Democratic leadership style is concentrated on the decision-making participation of employees. Generally, this leadership will empower the employees to involve into process of decision-making. During the process of empowerment, the employees are undertaking a responsibility for what they made. A wisdom leader in a company comprehends completely when to be a teacher and when to be a student, hence the leader understands importance of the respect and study mutually. Democratic leadership is going to apply better in the employees with highly and experienced skills, and implementing changes and resolving problems in the company, on the other hand, democratic leadership doesn't work when a company is confronting crisis or bankruptcy, because this style of leader requires more opinions from employees, so that employees have a lot of endless meetings, even are frustrated in it.

Laissez-Faire leadership is a free-rein form, the extensive communication and effective management of employees structures this style of leadership. The leader in



the company must pay more attention on supervision and motivation. Meanwhile the educated and self-motivated employees will be required while Laissez-Faire leadership works out in a company, and employees under the drive of motivation and ambition will do their best to achieve the goals and missions.

Laissez-Faire leadership probably creates a resentment and unhealthy work environment when employees feel insecure about the manager's ability and availability, on the other hand, managers even can utilize the employees to cover their weakness. Further, transformational leadership is a new trend of leadership management in the future, a leader with a definite vision is able to articulate others to put their effort and intelligence into the job, additionally, transformational leadership is planning to bring others into the decision-making process and allow others to get the opportunities of learning and self-achievement. Importantly, the leaders are willing to spend time on coaching and educating employees as well. The transactional leadership is controlling the consequence and strives to behavioral compliance, and employees are motivated by leader's reward and promise. But they also are disappointed by the leader's negative feedback, threats and other actions. (Bass, Bernard M, and Paul Steidlmeier. 1998,)

The effective and outstanding leadership is the combination of those styles I mentioned above, hence the leader will understand when to be autocratic, when to be democratic ,and when to transformable and transactional leadership, in other words, an excellent and successful leader will apply appropriately leadership styles into different developing stages of the company. (Suan Ward, 2008)

How to create a trusting environment and how to motivate the employees are becoming hot issues for every leader in the company, who has the strong desire and expectation on success. The opening communication is being an important way to create an environment to convince the employees, for instance, an office in the

company doesn't set the door, in order to enhance the communication between managers and employees, under this condition, the employees will feel that they are participating into the company's decision or other important activities, meanwhile, their suggestions or opinions are approved and accepted by the managers who are willing to listen to employees' feedback and feelings on current work condition. What's more, arranging the right employees into the right place will decide the effectiveness of employee's work, and decide whether employees' enthusiasm or potential abilities are explored. On the other hand, working in the right position is satisfying the employee's emotion of personal development. (Furash, Edward E, 12.1.2003)

### **2.3 The corporate culture in leadership**

Further, the strong corporate culture is going to create the high levels of employees' motivation and loyalty, and supports the control and structure of the company. Meanwhile, a successful corporate is going to lead a company to triumph.

In terms of the characteristics of successful corporate cultures, it is able to mention the following aspects:

Caring is involving employees' responsibilities for their actions into the business activities; caring as a belief results in employees concerning about service toward consumers, and creating a harmonious atmosphere in workplace is improving the quality of work.

A successful leader is able to sprite up the employees to challenge conventional performing and thinking, it means the CEO gives employees 'space and time' to innovate and create a new way to change the ordinary and the 'out of date' working

methods. Meantime how to reduce the fear of failure or losing job is deciding how is going on the creative performance of employees.

Risk management is a key and essential element for a company, which is able to manage and control the risk and profitable strategy. Actually employees can anticipate the outcome of the decision they made, and care about the reputation and earnings in the company. (Feiner, Michael, 11.15.2002)

Ethical code is written by an effective leader; on the other hand, ethics is tying a bond of employees and company. A standard and reasonable ethical code may evaluate objectively the performance of actual work the employees do.

Mutual trust is a vital section of leadership. Once employees turn out to trust each other, even manager or top-management, mutual trust is going to create a team environment. In other words, trust is the basis and cornerstone of the development of company, under the condition of building mutual trust; everyone is striving to organization's goals.

The company needs to follow the demanding goals by merit system, which mainly rewards the performance of employees and creates and fosters a teamwork environment. Setting up a fair merit system is to promote and improve the structure of human resource in the company. To some extent, an effective and equitable merit system is attracting more talents. (Pentilla, Chris. May 2002 'Missed Mission' entrepreneur)

In addition, in the competitively fierce business environment, leaders are searching new ideas and creative trends to understand the leadership to fit the new business environment.

Coaching is a new trend in the company recently, even extremely prevalent in other organizations, although the leadership of coaching is able to provide with ideas and suggestions to employees; the ultimate decision is kept in the employees' hand. The lower skills and experience of employees, the more coaching is required. A good coach enables to point out the strength of every employee, and make the strength to suit the company's goal efficiently.

A company needs the employees to participate into the decision-making processes, and employee empowerment is a method for establish employees' self-esteem and self-discipline. Empowerment is to get closely to the goal and development direction of company, employees' pride and loyalty will be increasing during implementation of empowerment.

In terms of equitable treatment, it is a new and attractive trend of leadership; the equitable treatment means giving account of individual attention they need, on the other hand, a good leader is supposed to know what employees require in order to the best performance. Additionally, the leader comprehends how to monitor employees, how to encourage and empower some who is working independently, and how to build a tied bond with employees.

Providing feedback and communicating effectively are to improve employee's performance; on the one hand, feedback enables employees to learn precious experience though the mistakes they did before, then employees can improve and correct those in the further works; on the other hand, the leader or manager can observe the performance of employees, and encourage the good aspects, then bring out the effective suggestions on putting mistakes right. Feedback as an opening communicating method is to generate the mutual trust atmosphere and the positive performance consequences. (Furash,Edward E, 12.1.2003 )

## 2.4 The leader in the future

The leader in the future should be more flexible, with a broader variety of experience and knowledge. Meanwhile, the era of an individual's rising through a single functional discipline to the top of large enterprise, especially a global one, is almost going to the termination.

What's more, the leader of the future is going to view her or his responsibilities as the organization's head to be a necessary and important function. Cultural leaders, forcing leadership to be exercised through position, who fail to recognize or deal with effectively the visibility and accessibility issues are going to limit the openness of the culture and restrict their competence to lead through knowledge and individual influence, in addition, when the technology seems to be shortening distance between people, at the same time demands for visibility, and communicating with CEO face-to-face are rising; on the other hand, the leader's desire to make the effort and to listen, absorb and learn and to communicate the vision and direction of corporation is increasing dramatically (Peter F. Drucker 1996 )

Future leaders vary in the values, managerial styles and priorities, meanwhile some are paying attention on making a difference in society, and some are focusing on being the best in their industry or area. On the other hand, their management styles range from highly autocratic to paternalistic to consultative to team-oriented; furthermore, they change their attitude towards humankind and towards individual person. In other words, the future leaders are supposed to concern on social issues like protecting environment, health food, public donation.

The main challenge for the future leader is to effectively lead and manage relationship among the organization's mission or purpose, its interaction and partnership with other institutions and other sectors and its values. And the leaders in the future are to

use effectively the organization's role to define the norms, rewards and values that stress the personal behaviors.

The effective leaders in the future are to be the outstanding role determined by strong values and belief in the capacity of individuals, meanwhile leaders will believe strongly that they should be shaping in the future, and will carry on the beliefs and values through personal behaviors. (Weinreb, Miael. April 2003)

## **2.5 The introduction of team-building**

Team is generally in short a definition of a group of people working together to accomplish a goal, as a matter of fact, the teammates are responsible for reaching the goal; meanwhile team building is a procedure of improving the performance and activities of a team, and encouraging teammates to cooperation and communicate efficiently. Exactly the most team currently is a reporting group, rather than a team, its main objective is sharing information. A genuine team has a collective assignment or task which requires a high level of interdependency in the team members, it can be achieved together; and definite and stable boundaries, so that membership is not changing, and it is easy to tell who is in the team.

Under currently complex and fierce business environment, a company aspires to build a high-competence team to approach the goal and perspectives, importantly it needs the employees to put their efforts and intelligence into the team works in order to reduce the potential disputes and problems.

Different teams in the different companies are to achieve the goals, there are two common styles in the companies: problem-solving team and cross-functional team.

The problem-solving team mainly focuses on a problem related to marketing share or innovation of new product; hence the form of team is a temporary period. Meanwhile, the team can consist of a level of management or a group of technologists. The problem-solving team is impermanent, but it is able to resolve the existed mistakes happened in the company as well as is able to draw out the teammates' wisdom, to some extent, the problem-solving team is a core element in the company, for example, when the company is facing the crisis, the problem-solving team can solve and correct the currently wrong strategy or flaw in the management so that the company can smooth the tough situation.

The cross-functional team includes teammates from different fields of business and from a common level of management. In terms of the launch of new product, the company needs to form a cross-team to design, brand, marketing, delivery and finance, hence the teammates are about to be from the different departments regarding to this new product. This team is able to figure out whether the company can launch the new product now; once launching the new product, the company would confront financial problem or others.

As to the development of team, it has to experience four stages: form, storm, norm and performance. Forming a team is a first stage, which is to assemble a team and set up definitely goals to be focused and attainable. On the other hand, the team leadership can understand the strength and weakness of each of team members, and put the team member into right place, in order to build a cohesive and strong team.

The storming stage as the second phase is coordinating efforts and solving problems and the teammates are supposed to consider the team's health and which direction the team should go for reaching goals. At the same time, the team is able to inspire teammate's creativity to solve the problems or issues. Communication is exceedingly crucial to the performance of a high-efficient team. Effective communication can

discuss clearly and openly on problems and promote team members to gather information and listen actively; while ineffective communication can cause inevitable tension and stress in the team members.

Team norms established is guiding the behavior of team members, and is able to definite team roles, rights, and responsibilities, meanwhile, it is important to establish team norms at the beginning process of forming team, additionally it can allocate the responsibilities and risks to each member, but allocating responsibility first establishes a team leader who act as a coach encouraging teammates to work together and provide effective ideas.

At the last stage it is the team performance. Due to working together effectively and smoothing out problems, the achievement is becoming evident and obvious. On the other hand, the team will handle new task confidently and easily, and at this point the team can evaluate and report the progress they did. What's more, the team can check out the insufficiency of performance, in order to avoid it repeatedly in new task and increase the ability of the team. (Bender, William J and Darlene M.Septelka 2002)

## **2.6 The successful team in the company**

How to build a top success team is deciding a company whether goes triumph or failure. A successful company has an outstanding and predominant team, meanwhile when I mentioned leading a high-efficient team, a leader has to plan and show a clear direction, under a distinct direction, the team members are able to identify purpose of the team whether the team might go wrong or the direction is impossible to get. The importance of clarity is crucial to a team, if the leader in a team can't provide a definite direction, a leadership vacuum will appear, the members are about to put personal goal and priorities above team's goal. On the other hand, without unifying purpose, conflicts may clash, what's the worse, a team is supposed to self-destruct.



What's more, the leader never carry on a challenges which could be achieved by low-level team members who don't have enough skills and experience, because the challenges may frustrate and disappoint them so that they lose confidence in new task. (Susan M.Heathfield, 2008)

Under the establishment of direction, a leader who aspires to create a successful team put an appropriate structure in a team. Generally, a successful team comprises 6 to 8 members, more members the more compelling interests and conflict of personality happen, crucially many leaders fear of the key members leaving once the team becomes so large, even the core members might work for their competitors or become a new competitor. A successful leader can understand what the team members require and how to guide them to follow the company's goal, as well as form a 'platform' of team member's self-achievement.

In terms of team management, the management is aiming to manage people, but in order to avoid the difficulty of management, selecting right people to join the team seems to be significant. What team member in the best team contributes is an ability to cooperate with others; hence a leader prefers selecting the emotionally intelligent people who are able to be self-control, self-confidence and self-awareness. Additionally the emotionally intelligent team members with an ability of empathy are supposed to create an environment of mutual respect. Even the leader can remove someone without this important attribute in the team, because he or she might do top performance, but he or she can dominate the team's meeting or activities, and overlook others' view and ideas; he or she hopes other team members fulfill his or her demand. It would be a disaster for team.

Integrity, which is someone who behaves consistently with company's goal and top values, is considered as honesty and strictly ethical code. Meanwhile, the team leader creates a team, whose team members are supposed to put the team first, and develop

the trust in each other. On the other hand, team member can show the opposite points on one project or business plan safely. In order to accomplish the high integrity in the team, team members have to put their commitments into integrity, first of all, speaking out your mind is about to tell your opinions when they disagree to the team's goal or plan, which probably is incorrect, if team members don't express or present their purpose, they won't provide the thoughtful input to the team, which is able to adopt a comprehensive and thoughtful plan or purpose; speaking for who are not present is the second step, when one of team members is absent, other team members can continue to his/her job, meanwhile the absentee is able to sum up or organize his/her job clearly so that the team is supposed to go smoothly.

Additionally, team members as an important element of human resource is supporting the top team all their effort, as a matter of fact, the team leader has to encourage top team members though compensation, which is a crucial tool to stimulate team members to cooperation. In other words, supporting an executive team is going to be a main task for team members. What's more, team members intend to consider the development of team further and innovation of working process or project schedule in order to create a high effective team. If team members participate into daily working initiatives, the team is going to go forward and forever.

### **3 Service management**

The service as the intangible core competence is becoming concerned by managers in the Chinese restaurants who considered not only the delicious and health food, but considered the best service as well. The much fiercer competition the restaurants face the better service the restaurants offer. To some extent, the better service management is going to pave a smooth road for Chinese restaurants

### 3.1 The importance of service

Service management is a core and essential concept for every service company recently, meanwhile, at the same level of external facts like quality of products and low-cost raw material; service will improve the competitive advantages of company. How to define service management is so complex, because service management in CEOs mind has different definitions. In short, service management is an approach, which makes quality of service that consumers are able to perceive, and service management is main force for operation of business to increase competitive advantages.

There are five aspects to describe service management perspective:

- As an overall management perspective that guides decisions in the field of management provides principles for isolated functions for instance consumer service.
- Consumer driven or market driven is supposed to be a crucial element.
- A holistic perspective that underscores the importance of intra-organizational and cross-functional cooperation.
- Managing and controlling quality is an integrated and core part of service management.
- It is an internal development of the personnel and reinforcement of company goals and strategies, meanwhile service management is going to be a strategic prerequisite for success. (Christian Gronroos. 1999)

Service is playing an important role in the company and adding the value into the product ,in order to increase the competitive advantages; due to the development of service, service strategy is supposed to maintain and sustain the company overall strategy and marketing strategy. Hence more and more companies are putting service into a preferential and important position.

What's more, we make better use of the advantages of service to improve competing abilities of core products.

The advantages of Services:

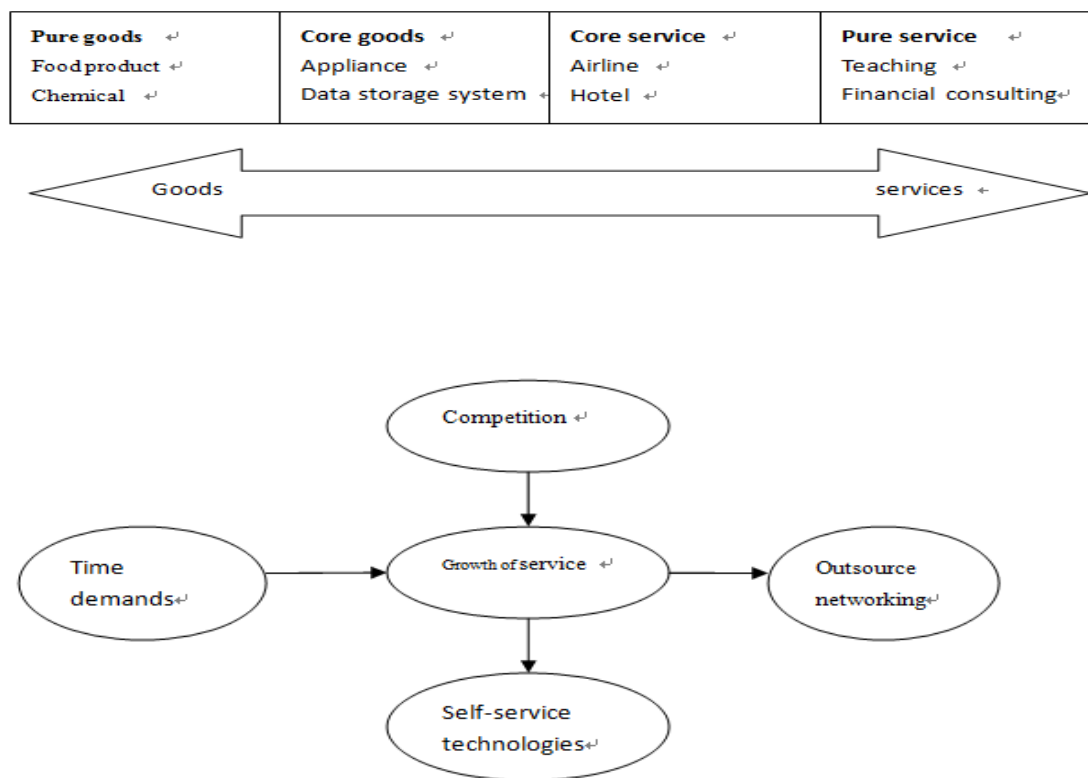
- Solutions to consumer's problems or experiences
- Heterogeneous
- Intangible asset
- Coproduced with consumers
- Perishable
- Control and manage customers through technology

Meanwhile, the important standpoint of a service improvement and innovation is service is able to translate the voice of customers or external quality into voice of provider of service and internal quality; service consumers are intimately put into service process. In other words, consumers are being as valuable source of service ideas and innovation, the value is gained on one condition of tapping consumer's expertise and ideas related to service improvement. Standing on viewpoint of organizational perspective, service production mainly depends on culture and strategy,

Although most companies are to be focusing on customers, rather few are able to make customers experts in the company, on the other hand, focusing on consumers' needs and putting customers into service designing team need a strong service culture characterized by a passion of deliverability of high-quality service; meanwhile the company is going to put the interests of customers and front-line employees first. (Bo Edvardsson 2000)

### 3.2 The four forces driving business toward service

Under the fierce competitive environment, the business is moving from pure physical goods to providing excellent service, figure 1 will illustrate the trend of the growth of service, meanwhile, the growth of service reflects the main forces driving the business to service.



**Figure 1** (Blundell,R,C,Jeffrey Gandz, Geoge A,Peapples,Ian D.Clark,J.E and John M.Thompson, 22.09.1990)

First of all, the individuals ,under the pressure of working, are having less time on shopping and cooking, even doing house-working, so that they prefer to meal out or

shopping online or pay for in-house service like hire a part-time servant; in other words, people are willing to buy the service or experience directly, because they can save time to relax or work.

Second, the advanced technology is coming to our sight, the new and advanced technology is changing the method of our life, for instance booking flight ticket online and shopping online. What's more, the technology allows the consumers to service themselves at home or at office and even in public places.

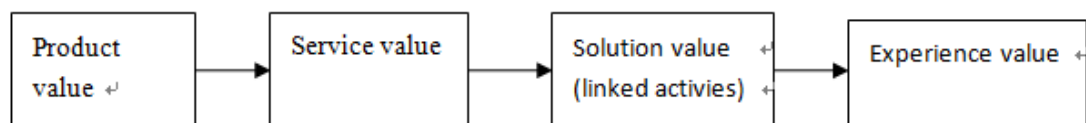
Third, due to the climate of business toward the development of service, the companies are focusing on the core competitive ability ----- improving and providing outstanding service to potential and regular customers. Outsourcing the service to the professional organizations enables companies to reduce costs effect and offer the professional service.

The last one but not least, the service reacts fundamentally to the evolution of competition, which leads companies from competing product values to service values, and to competing solution values or the whole linked activities. Those activities combine the products and service providing to customers as integrated solution and special need or issues. The competition needs companies to pay more attention downstream in value chain and improve or add new consumer's services around the product in order to increase core service advantages, rather than only selling physical goods and delivering it to customers. Additionally, the more personalized experience and experience value the company has, the more the customers are willing to pay for, in other words, if company is able to increase the values in the service and products, and is able to increase new services around product faster than other competitors, the company is going to lead other competitors and be a winner in the service economy. (Michael D.Johnson andAnders Gustafsson ,2000)

Illustrating an example to explain the evaluation in the competition, we can follow the steps of how the service is growing:

A cake shop just only sells the cake to customers, due to competition, the seller in the cake shop needs clean working suits and smile to selling a cake and explain what ingredients are in the cake. What is more, the customers are willing to get some birthday cards or candles, the cake shop has to offer what customers required, finally, the cake shop organize a birthday party for customers, because they did some marvelous birthday parties for customers before, and they are professional and experienced.

We can understand more service in competition though the example above, meanwhile, we also can find it those steps in following figure 2:



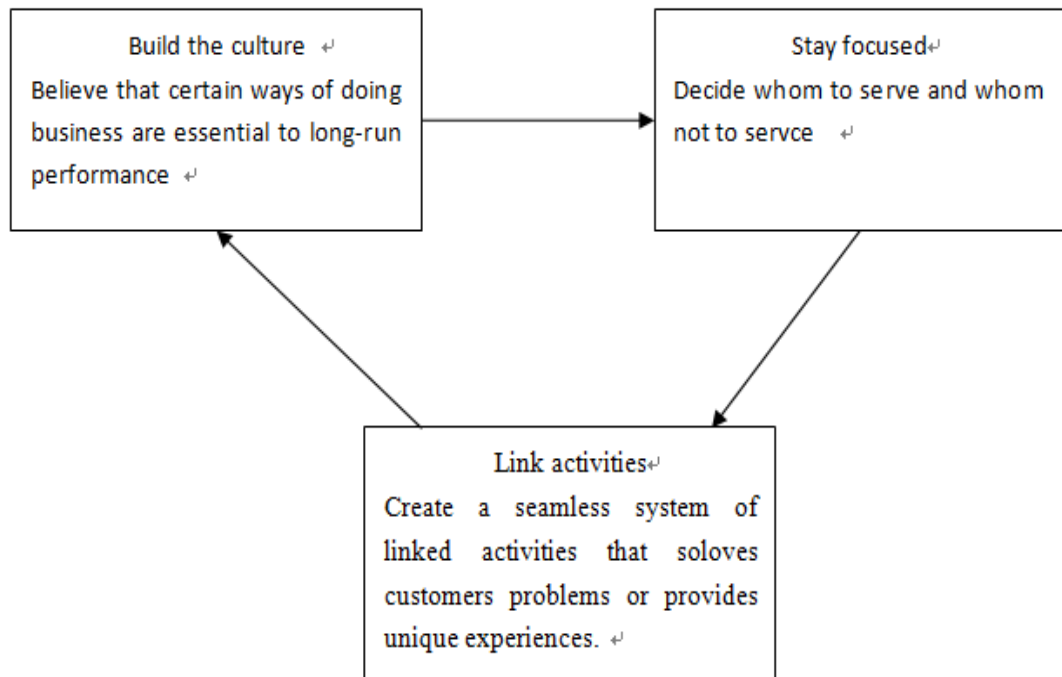
**Figure 2** (Christian Gronroos. 1999)

Having looked the example of selling birthday cake and Figure 2 together, we can recognize how competition drives business to service, due to competition, the cake shop has to sell smilingly cake and has to provide birthday cards and candles, then has to organize birthday party for customers. Service is becoming a core and critical source of the advantages of competition.

### **3.3 Advantages of service management**

First of all, there are main circles around business, one is customers, one is your competitors, the last one is our company, in other words, how to create your advantages is satisfying your customers' need, meanwhile, your competitors are supposed to pay closer attention on the circle of customers as well. On the other hand,

the customers' needs you provide rather than your competitors do are the source of your competitive advantages, contrastively, your competitors are able to meet customer's unique need, rather than you do, that is, it is your vulnerability of competitive advantages. The figure 3 can give an overall picture of the process of building service advantages:



**Figure 3** (Bo Edvardsson 2000)

Additionally, when it comes to your customers switching to your competitors, that is, the quality of your products or service can't content customers' needs, on the other hand, the benchmarking level of competition is probably higher than your customer's expectation, which can lose customer's focus. Service in the company features three traits, in order to take advantages of marketing opportunities:

- A strong company culture---a positive corporate and customers culture, even the influx of advanced technology.
- A clear and consistent concern marketing segment



- The culture and attention balance the organization's ability to combine the activities and service that offer special solution to customer's needs.

The beginning and ending of the excellent service both are culture, which comprises organizational culture and customers service culture; organizational culture is common values, norms and beliefs, for instance treating employees respectfully and creating long-term customer relationship are the critical to company's performance. Meanwhile, the soul and core part of service is identifying seven commonly values to sustain excellent service: innovation, excellence, joy, teamwork, respect, integrity and social profit, using the following diagram describes core values of service in the company:

<b>Core value</b>	<b>description</b>
Innovation	challenge the status to produce something better
Excellence	don't settle for 'good', because good isn't good enough
Joy	create a joyful, fun place to work
Teamwork	recognizes that being a member of a tested, challenged and successful team is as important in work as in life.
Respect	your employees, customers, partners, and customers

Integrity	value honesty and integrity as the right way and the best way to compete
Social profit	produce benefits to society beyond narrow economic goals, enrich all of your stakeholders in society. (Leonard L.Berry. 1999)

The organization's core values are based on the development of customer service culture, which is able to understand service-profit chain business model, in short, the service-profit chain can describe that the company has the happy employees who can treat the customers happily, and then it will create a good bottom line; in other words, the customers service culture emphasizes on investing in employees who are able to distribute excellent service and invest in customers who will not do the business with anyone else. The profit enables company to reinvest the business or other business, in order to guarantee the long-term triumph.

At the core and center position of customer service culture is the belief that the culture of the experience of the customers is the culture of the experience of employees, and moreover service is a process or system which the customers and employees work together, the employees can create a positive environment which both of them are able to value and respect highly, meanwhile, employees can understand the important role of what they do on the determining level in the company, it doesn't mean that customers is unimportant, and actually the employees must meet the customers' satisfaction which is supposed to facilitate the success in the company. (Lars Nilsson and Michael D.johnson . 2003)

Further, marketing segmentation can favor building and maintaining the service advantages, how to serve and whom to serve are foundation for marketing

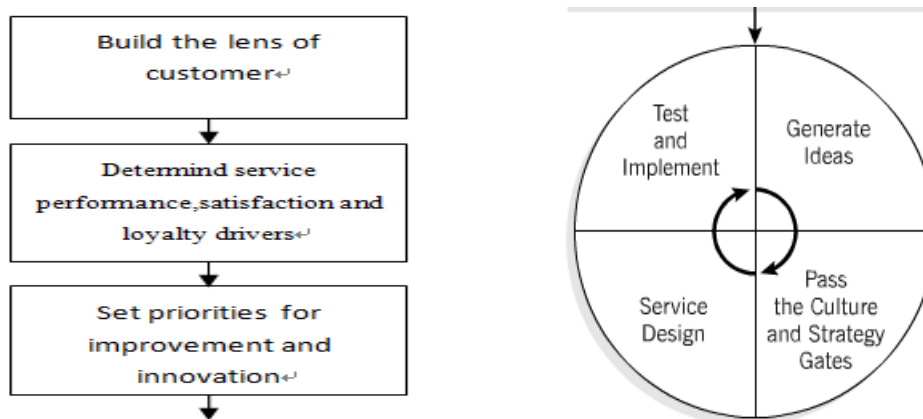
segmentation, exactly aiming at your target customers is determining to how well your company is going on in the future, because the high-price set is probably taking your customers away, the same style of products might lose the customer's interesting. Avoiding stretching culture and the linked activities is trying to serve too many different types of consumers, otherwise the service system is going down, and advantages should disappear. (Leonard L. Berry 1991)

How to win the competition in the world of physical goods is adopting either marketing segmentation or differentiation in products. Focusing on marketing segment is better to serve the needs of different level of customers. Differentiation is making the different products and is better to attract consumers, creating the service advantages need to require the combination of marketing segmentation and differentiation, which are one part of linked activities in service system, meanwhile the advantages of linked activities rely on the difficulty that the competitors are not able to replicate whole linked activities in the service system, for instance there are too many theme parks in the world, but only one theme park can be popular and be successful, that is Disney. And a lot of competitors are being around Disney, unfortunately, they just can replicate one set or tiny parts of the linked activities in Disney theme park, contrastingly, the competitors can't achieve the whole linked activities in the service system.

What's more, the service maintenance is identifying how well the designed service system is going and what the service system needs to improve. Taking away the things gone wrong and adding the right things into service system are the core norm in the service system, focusing on fixing things gone wrong is to improve and develop a new service activities and linked activities. Relying on the improvement of service activities, the company is able to increase the competitive power and building a leading service advantages in the fierce service economy. Meanwhile, changing existing service activities and upload a new service system are definitely taking a long

time to explore what the customers prefer or really need. Once the new service activities are achieved or planning to add into the existing service system, it will satisfy the customers' demand and make more customers loyal to the company's brand and reputation.

Building an explicit process of improving service performance is regarded as an efficient initiate, first of all it is building the lens of customer, in order to view business from customer's perspective; then it is to determine the service feature ,attribute and profits to satisfy customer's need and create a closed bond with customers. The third step is setting service quality improvement and service innovation, indeed, improving the quality of service and customer satisfaction is to optimize the goal and process rather than maximize it, as the manager in the service company is supposed to understand the links relating to the relationship of service quality and financial performance, even comprehend the importance of each linked activity, the following diagram Figure 4 is showing the map of the process of improving service performance: (Richard Norman. 2000)



**Figure 4** ((Richard Normann. 2000)

A company with excellent service system is supposed to detail explicitly how customers consider the service offering and know exactly what aspects need to correct in order to get regular customers back and pull a lot of potential customers.

On the other hand, as to the development of service, there are two important aspects the company has to pay more attention-----culture & strategy and integral involvement of customers. First, the linked service activities the company determines cautiously have to fit the marketing segment and service culture, in contrast, the service idea can't get used to the existed service culture the customers experience or the culture is unable to implement the service strategy so that the service idea is eluded by customers; second, the involvement of customers are a tremendous source of designing and developing process of service, additionally the customers are able to offer the good ideas and creativity on service delivery and development (S.S.Tax and I.Stuart. 1997).

Under the pressure of competition, the company has to innovate new products and new service sustaining the long-run development of service. Service innovation is able to integrate consumers straightly into the process of service; meanwhile, the service innovation has to require an exact process to develop the service and improve the linked activities which can satisfy what the customers really need and how much the customers are willing to pay for.

The service innovation keep old customers and bring new customers into service activities, meanwhile, the nature of service innovation is the defense and offense simultaneously----keeping existed business and catching new ideas & new development. Consistent and ongoing service operation process is able to protect and grow service advantages and customers' satisfaction. In addition, the innovation is a process which is managed deliberately, the company with brilliant and creative ideas needs the whole process of innovation to widespread and effective use, on the other

hand, the whole process of innovation relies on finding and developing creative ideas and accomplishing something new.

Innovation features the inherent risk, even an outstanding company can't take the countless risk, basically the innovation makes come choices on various marketing and technology opportunities; the choice ,which can establish technical and marketing advantages and competence, is able to fulfill the company's overall business strategy; the service company can work straightly with customers together.

Service innovation is regarded as a double-edged sword which comprises problems and opportunities, the opportunities means innovation can explore the whole value chain; the problems can place the energy to parts of value chain that is able to operate around the overall company's strategy and resource, for instance finance, technology , brand, reputation and customer relationship. In addition, service innovation enables the value chain to divide into four parts: (Bo Edvardsson 2000)

- Business model
- Service support activities
- Customer service activities
- Customer outcomes

New service combining the new technology and the customer base enables the customers to use the service conveniently, and enables to produce self-service technologies or systems which can't influence the involvement and performance of employees, for example online-paying account management service and customer relationship management service systems. Generally the service technology is

applying into main two business model---business to business (B2B) and business to customers (B2C). As to the B2C which owns a huge base of customers, the new technology can measure quickly and cost-effectively service operation, on the other side, customers can get involved into service anywhere and anytime; in the B2B business model, the technology can add the service into product offering and can make the procurement and delivery of product conveniently and easily, to some extent, the technology can low cost effectively and increase the margin of profit.

After setting your plan to innovation, you are to immerse yourself into customers, hence the manager in the service company is able to understand completely what problems the customers are experiencing needs to solve, in addition, putting yourself into customers is to find marketing opportunities or new potential service activities to cater to customers, on the other hand, standing the view of customer, company is supposed to serve the customers friendly and immediately, even to serve detailed and comprehensively. In other words, understanding deeply the customers is going to increase the core competency, managers or marketing researchers in the service company are willing to expect customers to actively participate into research, actually the customers can't do it actively, in order to achieve the goal of doing marketing research, company can get exact information and data, for instance research into history and fundamental national factors ,observation and value segmentation.

Company culture ,which should get locked into the business strategy and business model, is supposed to get accommodated to innovation, the consistence of the culture and innovation may become a strong advantages; in contrast, the company is reluctant to change culture ,technology, products and distribution channels, which may becomes disadvantages or obstacles of the development of innovation in the company. In short, the culture is the competitive vantages, in order to assure the service success.

The company culture is based on the customer service culture ,which can drives the strategy decision and linked activities to the core competitive ability in the company. Service business leader can pay more attention on culture and management. Indeed, service is individual and personal experience, treating your employees well and caring your employees means the customers are able to provide high-level service to customers. The excellent service and employees can pave the way to success and be a leader.

A Service leader is pursuing service maintance, service performance, and service innovation, the Company is able to stress improvement of productivity and lowing costs when can understand better customers, and innovated service. An excellent service company is supposed to improve the service flaws consistently, which can be recognized clearly at different stages, like maintance stages, innovation stages and performance stages. What's more, a service leader can see the employees and customers as a huge source of creativity and innovation. Besides the creativity , productivity and spontaneity are originated from culture norms and the understating of culture. (Thomson Reuters.2008)

A service leader is able to participate into the process of service, meanwhile an outstanding service company with a hospitable and humanized environment enables a service leader to generate the good service ideas and make decisions and lead the way in the service economy. Improving customer satisfaction and increasing customer loyalty can provide a stable guarantee to the development of service.

To Sum up, building culture, linking all activities smoothly and innovation are sustaining and providing an excellent service, in order to achieve a goal of satisfying the customer's need, on the other hand, an excellent and efficient service is supposed to increase the core competitive ability and advantages, in addition, service management can improve consistently things gone wrong and add the right things into



reasonable process of service. A good service leader can understand the strength of service and comprehend detailed each aspect of service linked activities, and treat the employees well, and build a harmonious relationship between service leader and employees.

#### **4 Research method**

The research is always regarded as a cornerstone of scientific progress, meanwhile, the main purpose of research is going to solve the problems of question and acquire new knowledge. Research is a primary tool which is applied in all areas of science and knowledge. By carrying on research, the researchers are tempted to find the solution of problems or reduce the complexity of problems, and discover or explore the relationship between unrelated events. On the other hand, the research is used to describe a thing or event, and discover the phenomena or make predictions about what is going on the events in the future.( Graziano,A.M. and Raulin,M. L . 2004)

The researcher can translate research ideas into the answerable questions, in contrast, the unanswerable questions will frustrate and confuse customers or potential customers. It is crucial to form the research questions which can be answered by the scientific method. On the other hand, the questions can be researched and answered though establishing reasonable scientific research method.

Hypothesis is simply an educated and testable answer to the research questions. In addition, the form of hypothesis depends on the questions being asked and type of study. An important feature of hypothesis is the prediction, which can be tested by gathering and analyzing data.

Generally, analyzing data needs statistical techniques which help researchers reduce the erroneous in the whole process and making the conclusion of research. Though

scientifically analysis, the researchers are able to understand the data being collected, meanwhile, relying on exact analysis and cautiously reading the data, researchers can draw out a convinced conclusion for the research.

The conclusion of research is based on the collecting effect data and analyzing the data. Researchers ,to some extent, have to avoid a cardinal sin that conclusion is going beyond the effect analysis of data. Hence the conclusion is going to show a definite result of the research, and is going to expound the answer of questions be set before research or relationship of the target groups in the research.

Further, replication, which means carrying on the same research again with different participants and which identifies whether the result is the same as the last time, is one important element of the scientific method. Meanwhile, replication is attempt to establish the reliability of research and to determine whether the same consequence can be got with different participants.

#### **4.1 Qualitative research**

The qualitative research typically needs the interview and observation without formal measurement, what's more, the qualitative research can be used a source of hypothesis which is able to test in quantitative research. In addition, the purpose of interview is to enter to interviewee's perspective, and interview starts with the assumption that the interviewee's perspective is meaningful, knowable and explicit. There are three basic approaches to get the data through open-end interviews, which include different types of preparation, conceptualization and instrumentation. On the other hand, every approach has strengths and weaknesses and the three alternatives are the informal conversational interview, the general interview guide approach, and the standardized open-ended interview. These approaches need to be determined and standardized

before interview carries on. Using standardized open-ended interview is based on the following reason:

- The exact instrument used in the evaluation
- Variation among interviewers can be minimized
- The interview is highly concentrated so that the interviewing time is used effectively
- Analysis is facilitated by making responses easy to find and compare (Micheal quinn patton, 2002 )

The successful research depends on, to some extends, reasonable approach and collected data, even the personal views you interviewed, hence collecting the method for the research is a crucial part of a research plan. But the collected data may rely on the participant's view or experience and knowledge so that the outcome of qualitative research might be low credibility. Meanwhile the qualitative research is hard to find the prediction for situation, and the researcher's bias or personal opinions can directly affect the consequence of research. In order to avoiding the phenomena happening, mixed reach is derived and low the personal factors like bias influencing the research directly. In other words, the mixed research comprises actions within stage and across stage.

What's more, the questionnaire and interview are the prevail as the research method;  
Quality Criteria for an Interview

- The extent of spontaneous, rich, specific and relevant answers from the interviewee
- The shorter the interviewer's questions and the longer the interviewee's answers,

the better.

- The degree to which the interviewer follows up and clarifies the meanings of the relevant aspects of the answer.
- The interviewer attempts to verify his or her interpretation of the interviewee's answers throughout.
- The interview is self-communicating.

The personal interviews take advantages of clarifying the questions, adding new questions, establishing and motivating respondents, and obtaining the rich data. On the other hand, the personal interview takes absolutely personal time, and interviewer needs more experience on given situation or topics. The cost of interviewing may be expensive.

The questionnaire is to be less expensive and obtain good response rate, and reduce the doubts, although the organization and individuals are reluctant to respond to interviewer, moreover the interviewer can lead the respondent to somewhere. (Leary, M.R 2004 )

Eventually the researcher has to write a report to describe the solution of the given questions, and analysis of data collected etc. a thoughtful and detailed research report will become a helpful assistant of making an important decision.

#### **4.2 Data collection, assessment methods and measurement strategy**

Measurement is considered as a basis of scientific inquiry and measurement techniques, meanwhile specific measurement strategy is to help researcher collect

data, there are two different form of data: nonmetric and metric. Nonmetric data, which is viewed as qualitative data, can describe an individual and not be qualified; metric data, which is regarded as quantitative data, can exist in different amounts or degrees, metric data can help researchers exam and measure amounts and magnitude, contrastingly nonmetric data are used as a predominant method of describing and categorizing. (Isaac.S and Michael, W.B. 1997)

The main four scales of measurement are nominal scales, ordinal scales, interval scales, and ratio scales. The obvious features of nominal measurement scales and data will show following:

- Only uses qualitatively classify.
- No absolute zero point.
- Not be ordered in quantitative sequence.
- Being Hard to conduct standard mathematical operations.
- Purely descriptive and not be manipulated mathematically.

The distinct features of ordinal measurement scales and data is showing below:

- Based on nominal measurement
- Categorizing a variable and the relative magnitude
- Information on relative position but not the interval between ranks or categories

- Qualitative naturally
- Lack the mathematical properties for statistical analysis. (Kazdin, A.E 2003 )

Setting up the appropriate measurement strategy can increase reliability and reduce measurement errors in the research activities, meanwhile the administration of the measurement should be standard and consistent. On the other hand, every researcher is supposed to understand deeply the measurement strategy and instrument, and involve into collect data under the training of measurement strategy, in other words, the data can be recorded , compiled and analyzed accurately and exactly.

What's more, the measurement instruments and definite strategy are available for researchers who can consider carefully a test for collecting data, and a lot of factors can be evaluated in the test:

- Reliability
- Validity
- Cost
- Time needs to administer and supervisor
- Reading level
- Test length
- Theoretical soundness
- Norms

- Standard administration process
- Well-documented brochure and guiding manual.

## **5 The interview of owners of Chinese restaurants and an officer in catering and health food department.**

After the preparation of interview, I did interview two owners of business Chinese restaurants and one officer in the Chinese catering and health food department. During these interviews, we can definitely figure out what problems the Chinese restaurants are confronting. Meanwhile, relying on the problems, we can build a completely reasonable management system in the Chinese restaurants.

Ma Baosheng, 40-year old man, has managed his Chinese restaurants for 6 years, his restaurant mainly offer the seafood, meanwhile, sometimes offering special discount seafood to customers. Hence on the interview we mainly discussed the problems on middle-scale level of Chinese restaurants.

Mr.X, 35-year old man, has managed his hot-pot chain restaurants for 4 years, at the moment he has 5 hot-pot chain restaurants. He thought Chinese fast-food restaurants are becoming a spotlight in the future, and the potential marketing is huge. Meanwhile, he has own unique understand of the development of Chinese restaurants.

Zhao Hong, the catering and food health department, has worked for 4 years, she gave some important suggestion based on statistical data and numbers. In addition, she personally forecasted the future development of Chinese restaurants.

**Brand,** As the manager of Chinese seafood restaurant, he thought brand is a important element of the development of strategy, but at the moment, there are a lot of

Chinese restaurants which didn't care the brand, for instance how to building the brand, how to tie the brand and food in the restaurants. To some extent, when China joined WTO in.2002, many foreign catering companies or group focused on developing Chinese marketing as a main marketing strategy. The catering marketing is facing the much fiercer competition than before, for instance surprisingly KFC in China can develop far much faster than in other countries, 2 years KFC built 100 chain restaurants in China, why could the KFC develop so fast? Ma told the reason that the Chinese consumers whose the level of life was improved under the good condition of Chinese economy are willing to pursue the international brand, in their mind, the restaurants with the international brand are supposed to serve the good quality of food, on the other hand, the customers psychologically wanted to taste the new American fast-food. Contrastingly, the Chinese restaurants really ignored the value of brand, exactly the Chinese restaurants first didn't pay more attention on protecting brand, and then didn't build the long-term developing strategy of the brand. On the other hand, Chinese marketing is attempt to be international, brand is not only going to attract Chinese customers, but attract foreign customers who are probably working in China or who are travelling in China or who are studying in China. The brand can let customers keep the restaurant and the delicious food in the mind, in other words, generally customers first recall the brand of the restaurant, then recall the delicious food. Brand is supposed to be regarded as an intangible asset in the restaurants or an important element in the marketing strategy.

**Leadership and Employees**, the employees is the core part in the Chinese restaurants, speaking of Chinese restaurants, dishes is the product in the restaurants, meanwhile the service is a tool of selling the dishes in the restaurants, how to improve the service is finding the qualified employees. Actually the good service stars from the front-line employees, rather than the CEO or managers, in other words, whether the Chinese restaurants can get the good employees will decide the quality of service in the restaurants. Although China is a huge population country, the professional managers



of restaurants are fewer. On the other hand, the managers only pay attention on whether the chief can cook delicious food, but they ignore the quality of waiters and waitress, at the same time, ignore the professionals of restaurants. According to Mr.X words, the good employees are a treasure for Chinese restaurant.

Employees are the cornerstone of the long-term development of Chinese restaurants. Due to the cost of training employees and finding the employees, the restaurants are rather focusing on the training program of existed employees and new employees, in order to avoiding unnecessary loss of hiring employees. Once the employees can offer the good service to customers, the management or service is supposed to get improved. Hence how to build the process of hiring employees and how to complete an all-sided training program are decide whether Chinese restaurants are able to produce the good service to fit the customers' need and demand.

In terms of leadership, the leader in Chinese restaurant will build a good example of working-hard and learner, because the action of leader is supposed to influence the following activities of employees. In addition, an excellent leader in Chinese restaurant should encourage the waiters or waitress to improve the current service quality and get the feedback from customers soon, in order to optimize the service. on the other hand, an outstanding leader in Chinese restaurant should add the corporate culture into the management team, for instance offering the best service to customers, hence the employees can be encouraged into serve the best service to all the customers anytime, and pay more attention on details of the process of service in Chinese restaurant.

In addition, when it comes to an excellent leader, the two managers of the Chinese restaurants thought at the moment the leader firstly has to make the right decision ,particularly when the company are facing the problems for instance the financial crisis, the example is based on the Ma's restaurants that Ma realized the

financial crisis would hit the Chinese market at the beginning of 2008, he immediately changed the menu and made a new marketing strategy, hence he hopes the restaurant is able to pass successfully the financial crisis. on the hand, Mr X thought the leader in the restaurant should set up an example of hard-working, and should encourage the employees with less working experience to learn new knowledge and skills on service and management, although waiters or waitress under the low-level of education are working in the restaurant, they still needs to be stimulated through rewards and leader's oral praise, in order to increase employees' enthusiasm on their work.

**Team-building**, as to the managerial team in the restaurant, both of Ma and Mr X regarded an highly effective team as the core advantages of management, in other words, an excellent team in the restaurant is able to help the manager make the correct strategy and solve the problems existed in the restaurant and lead restaurant to develop sustainable. In other words, how to build an appropriate team is critical to the development in the future, and the team-building is to determine whether the company is able to become stronger, particularly the Chinese restaurants are planning to occupy market share through franchise or chain marketing strategy. As to the modern managerial way, the Chinese restaurants can't rely only on an excellent leader, as the matter of fact, a successful leader can make right strategy or plan through analyzing data such as finance or marketing, the effective and efficient operation is going to depend on the team, which is regarded as the main task of implementing the strategy the leader made.

**Service**, first of all, it is a basic condition that restaurants are able to serve the delicious food, second of all, service is considered as an effective tool of marketing and management, as a marketing tool, a good service is able to show the competence of Chinese restaurants, and keep regular customers and attract new consumers, to some extent, a good service enables the customers to satisfy the need and demand, in other words, once the customers get satisfied on the service, you will be pleasure of

having a dinner in the restaurants again. As Mr X said, what the better service is serve what the customers need and how to offer the better service is depending on an effective team.

Speaking of the service in the Chinese restaurants, most consumers complained on offering the food slowly or bad service or waiters who didn't pay more attention on customers' culture and need. What caused it all? Why didn't customers get the good service in the restaurants. Ma said some restaurants, in order to reduce the cost of training, were willing to pay a few for training program, but Mr X thought bad service is originated from service system, because building a good service system starts training program which is able to train employees and enable the employees to offer the service into the actual work in Chinese restaurants, in addition, once the waiters get the offer from the consumers, the waiters have to transfer the information to chief, and how the chief can arrange the sequence of offering food is becoming a bottleneck of service, in other words, if the chief didn't arrange the sequence well, so that the customers have to wait for a long time. Meanwhile waiters or waitress who didn't get well-training program didn't know how to handle this dilemma situation, and additionally some week factors of payment or something of service system. Due to the week elements of service system I mentioned above, it is supposed to cause the bad service.

**Technology and innovation**, the technology content of Chinese restaurant is low. And some managers of Chinese restaurants thought Chinese restaurants per se is a traditional business, and it doesn't need to put the technological installation into the process of management, as well as the advanced machines are so expensive. Hence it caused the short-term lifecycle of Chinese restaurants. Mr X, the manager of hot-pot restaurant, thinks the technology is able to reduce the cost of management, for instance delivery, payment, even customer relationship management. He gave a vivid example of his restaurant; 2 years ago his fast-food restaurant were not introduced the

digital hand-PDA order machine, the waiters or waitress wrote the orders in the papers, hence customers always complained that they didn't get the food they ordered or they didn't get the right bills, due to the waiters or waitress' mistakes to make orders messed. Contrastingly after the application of hand-pad machine, the rate of the remonstrance of customers decreased sharply, because once waiters or waitress ordered the food, they could transfer information exactly into chief field and payment field, so that the customers were able to get the food as soon as possible and even didn't worry about pay the wrong bills. Mr X claimed they will pay new computer managerial software soon, in order to enhance the management of procurement and delivery. Meanwhile, Zhao Hong showed the striking data: by the 2005, there was the 1/45 of Chinese restaurants applied hand-pad machine, 1/63 of Chinese restaurants applied advanced computer softer ware in to the process of management. Clearly we can figure out the weakness of Chinese restaurants is low content of technology which has two-fold meaning; one is reducing cost and improving the efficient of management; two is enhancing customer relationship management and focusing on the sustainable development of Chinese restaurants. In addition, Zhao gave a piece of suggestion that the technology and computer software's are of the good quality and functions, but the managers have to apply it cautiously into the process of management, in order to solve the problems and improve the core competence of Chinese restaurants, otherwise the managers probably paid for nothing and squander a large amount of capital.

When it comes to innovation in the Chinese restaurants, the managers of Chinese restaurants first consider to cook new Chinese dishes to satisfy customers' demand, or confused on what the innovation is in the Chinese restaurant. In addition, some Chinese managers thought innovation was invention to create new products or new services. Unfortunately this understanding of the service innovation is not all-around and comprehensive. Service innovation , in order to meet customers' need, is to improve and create service activities. On the other hand, service innovation actually

improve or add the necessary activities or service to satisfy what the customers need, rather than invent something unnecessary, meanwhile the activities linked to the process of management like delivery, customers management, and procurement. In other words, what the best service is doing detail. When Chinese restaurants pay more attention on every detail of the process of service or management. To some extent, the detail service is service innovation, hence how to add service innovation into management and how to do the detail service are becoming hot issues.

**External factors**, as Zhao said, although Chinese economy rapid grow and catering market is still a huge potential, there are a lot of defective external factors, developing structure which need the relative department to improve and guide the development of Chinese restaurants:

On the passed 10-year development of Chinese catering, the Chinese restaurants mainly aimed at the customers of middle-level and high-level income, rather than care less low-level of income customers. Hence it caused the developing structure was imbalance, on the other hand, the more Chinese restaurants targeting the customers of middle-level or high-level income, the less customers the restaurants can attract or get. To some extent, the customers of middle-level or high-level income are limited. In order to optimize the developing structure of Chinese restaurants, the Chinese fast-food or the restaurants aiming to the customers of below middle-level income can have a huge potential marketing, even bigger than middle-level or high-level income marketing. In 2005, the Chinese fast-food restaurant developed so fast, targeting at students and customers of below middle-level income, in addition, the fast-food Chinese restaurants focused strongly on sanitation and the speed of delivery, in order to maximize comfortable service and offer the tasty food. And the restaurants could have offered the cheaper and good quality of food, but due to the pressure of competition, the catering companies or groups need to be stronger so that the size to be bigger and decoration to be luxurious of Chinese restaurants leave the customers

off. Hence the catering marketing needs local governments and relative departments to guide synergically the development of Chinese restaurants.

Technologically, Zhao thought Chinese restaurants need more qualified managers or employees to work or manage restaurants, but current human resource market for restaurant is weak, to some extent, the restaurants didn't get enough qualified employees, especially qualified managers, it would result in the deficit of management so that the owners of restaurant had to face the bankruptcy. In addition, the Chinese restaurants, based on qualified employees, can develop fast and become stronger, in other words, qualified employees are the core resource of Chinese restaurants, and are able to increase competitive competence and ability.

What's more, there is a notion in the Chinese students or traditional family-----waiter or waiter or manager in the restaurant isn't on the good working position, hence this notion resulted in the misunderstanding of working in restaurant, meanwhile many students won't choose the management of restaurant or service management as a major, contrastingly, they prefer IT or business management or other majors.

The advanced machines of cooking or relative tools were not produced or introduced by manufacturers who thought it was not potential market or it was closed to non-profit business even failure, once the factory produced too many. To some extent, the manufacturer didn't attach importance to the significance of the advanced technology in Chinese restaurants. In other words, the lower content of technology in restaurants, the less effective the restaurants can work, thus the Chinese restaurants is losing the advantages on the competition with foreign restaurants. As the problems and conditions I mentioned above, whatever they are the awareness of brand, technology and innovation and external factors, those are needed to get the solution or be solved soon by the managers in the Chinese restaurants, in short, those problems may be regards as bottleneck, only if those problems are solved, the Chinese catering

industry will step into a new era-----high content of technology and high effective management and innovation.

## **6 The developing management of Chinese restaurant in the future**

Although the Chinese catering industry develops so fast ,and investing into Chinese restaurants is becoming a spark spot. The poor conditions of Chinese restaurants I mentioned previously did result from poor management, meanwhile management ,to some extent, makes managers of Chinese restaurants confused, because how to place the right management into the right process is about to make the managers a little bit anxiety. Service management ,which can fit to the management in Chinese restaurant ,can help the managers manage the Chinese restaurant well. Meanwhile, as to the service management in the Chinese restaurants, first of all, Chinese restaurants should put the distinguishing feature in the restaurant to attract the customers, in other words, what's the satisfied service? In short, for customers they can have a good dinner and feel pleasure service from waiters or waitress; for the Chinese restaurant they can ask the waiters and waitress to offer the service as the customers want. Hence the restaurants are supposed to put the distinguishing feature inside, there is an obvious example: the Chinese restaurant can add a theme element inside-----health food theme restaurant or youth theme restaurant, in addition, the decoration and ornamentation of restaurant featured romantic in the restaurant. The targeted customers are segmented clearly in Chinese restaurant. Therefore the service is going to be offered exactly.

Further, service management is about to enhance the culture in the restaurant, at the moment the Chinese restaurants go for the customers-oriented culture and employees-oriented culture or innovation-oriented culture. But in the future with the much fiercer competition, it will form a culture-mix in the restaurants, in other words, the culture-mix is meant to service-oriented culture which is going to offer the best

service to customers, employees, suppliers and cooperators. The managers in the restaurants thought restaurants needed the standard management and identical service, but the management still needs the humanized and flexible service management to maximize the service for customers and employees. The service-oriented culture, which is able to tie the relationship between restaurant and customer or supplier, is becoming the core part of service management. Once the tied relationship to be built, whoever is customers or suppliers or cooperator, they are supposed to trust the brand and be loyalty to the management of the Chinese restaurant,

The detailed service is going to be a trend for service economy. With development of the level of life, customers request not only the tasty food in the restaurant, but need a pleasure atmosphere of having dinner and all-side service, but the all-side service must be hard for every restaurant, hence the feedback system is to pave a road for restaurant to go towards the perfect service; the feedback system of the service management is based on the employees' service, even the incomplete service happened into a customer, but the feedback system is able to give it back to the relative department of the restaurant, which can find the solution, in order to avoid never happening to one more customer. Whereas the service is supposed to pay closer attention to every tiny activity in the restaurant, let me give an example: in the Chinese restaurant the manager usually ignores the sequence of serving dishes, and ignore the posture of holding plate and position of hand in the plate, it could cause that the waiters' finger touched food so that this action influenced and ruined the customer's appetite. The detailed service is going to maximize the satisfied level of service.

Building a reasonable training system in the restaurant and forming a positive team are leading the Chinese restaurant to cultivate enough qualified employees, in order to avoid the situation of the lack of professionals. As a Chinese restaurant, the service is acting an important role of the management in the Chinese restaurant, and the best

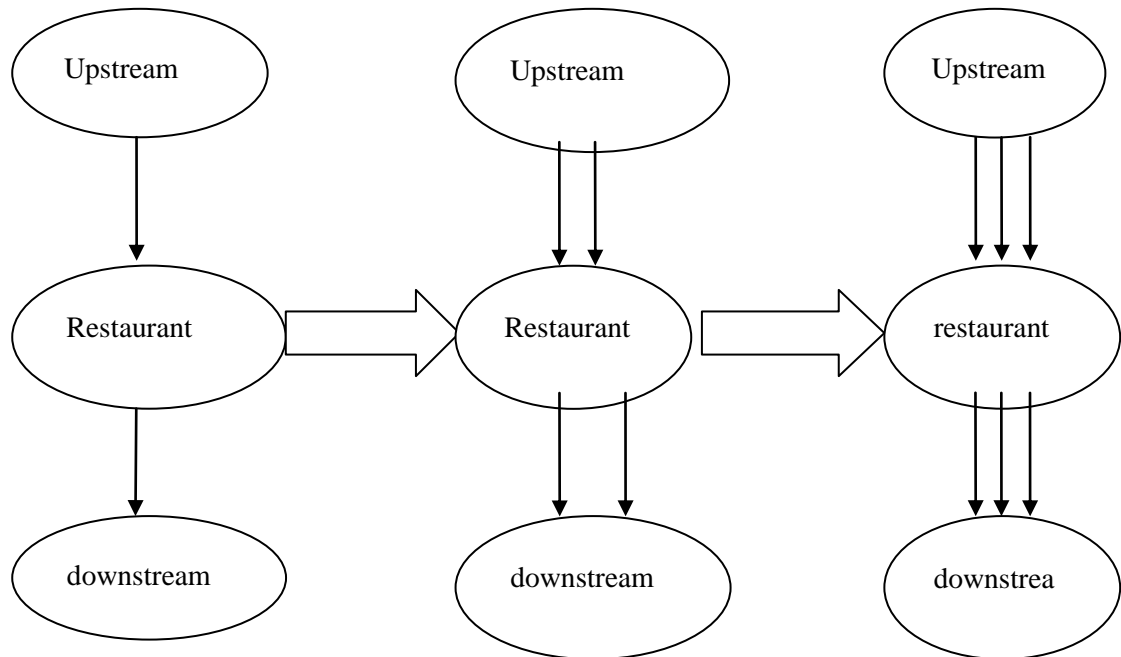


service is from qualified waiters and waitress, who serve the customers directly and understand deeply what customer's need. The reasonable training system is to give employees a platform of self-achievement and educate the employees to get a habit of studying new knowledge, in other words, the qualified employees can raise the level of Chinese restaurant and increase customers' loyalty towards the brand of restaurant. Being based on a positive team-building system, the restaurant is able to form an effective service team which is supposed to increase the core-competitive competence. A stronger service team is going to fuel the development of Chinese restaurant and improve the weak managing and administrating activities. As one manager in Chinese restaurant said ' competitor can lose my restaurant, can lose the car, only if I can keep my best service-team, my restaurant will be leader of Chinese restaurant again', as the sentence he said, the excellent leader is based on the support of effective service team, in other words, a successful company can not only rely on one excellent leader, but pay closer attention on team-building, which is actually determined on the future development of Chinese restaurant.

In terms of the developing model of the Chinese restaurant, some managers thought the diversification developing model is better, which means the Chinese restaurant is able to not only develop catering, but to develop other fields of business for instance real-estate or IT or stock market, in order to assemble capital as much as it can. The following diagram will show the developing model of diversity fields of restaurants:

Though I mentioned above, we can figure out this model is able to gather the much capital and expand the business to other fields, but it is to be weak on the every field of business, and the field of restaurant is stronger than other field of business, once the financial crisis or the different competitors are hitting the business, it will cause the problem of the cash-chain which is supposed to result in the big cash problem of the Chinese restaurant. Meanwhile it will increase the level of risks.

What's more, focusing on the development of upstream and downstream is about to be the best model of the Chinese restaurant, and when Chinese restaurants pay more attention on the development of upstream and downstream ,in order to strengthen the channels of upstream and downstream, the figure 5 will show multi-channel model below:



**Figure 5 ( Ma Baosheng .2009)**

Based on the figure 5, we can find out Chinese restaurants can only strengthen channels of upstream and downstream, in order to enhance the competitive ability and management. Relying on the service management to increase more channels, the Chinese restaurant is supposed to be stronger and increase the ability of overwhelming risk. In Diagram 5, it shows clearly that the right diagram has more channels than other two diagrams; supposing the competitors can hit one channel or two channels, the Chinese restaurant can operate smoothly though another one or two channels. Hence the service management ,which is able to intensify the relationship between restaurant and upstream suppliers or downstream companies, is going to increase the advantages of management and increase the innovation ability of Chinese restaurant. What's more, the Chinese restaurant is going to develop well ,based on the sustainable

service management. The cross-functional teams include teammates from different fields of business and from a common level of management

## **7 Conclusion**

With Chinese economy developing rapidly, the Chinese restaurant is under the spotlight, but the management of Chinese restaurant is weak at the moment, especially on the service management, which is an important part of service management in the Chinese restaurant. On the other hand, the managers of Chinese restaurant should pay more attention on the service management for instance brand, service innovation. Service management is core and essential concept for every service company recently, meanwhile, at the same level of external facts like quality of products and low-cost raw material, service will improve the competitive advantages of company. What's more, what best service is offering what customers' need, in order to increase the advantages of competition. the leader can use the excellent qualities to inspire the employees, a team to achieve the goals, at the same time, an effective leader is going to manage the relationship with others and create positive outcomes; The styles of predominant leadership are mainly autocratic, democratic, and laissez-faire, in addition, there are two more new-trend leadership styles----transformational and transactional leadership, the leader will understand when to be autocratic, when to be democratic ,and when to transformable and transactional leadership, in other words, an excellent and successful leader will apply appropriately leadership styles into different developing stages of the company. Team is generally in short a definition of a group of people working together to accomplish a goal, as a matter of fact, the teammates are responsible for reaching the goal, The problem-solving teams mainly focus on a problem related to marketing share or innovation of new product, hence the form of team is a temporary period. A company aspires to build a high-competence team to approach the goal and perspectives, importantly needs the employees to put their efforts and intelligence into the team works in order to reduce the potential

disputes and problems. And a successful company is supposed to build an effective team to support the sustainable development of company.

I interviewed 2 owners of business Chinese restaurants(Ma Baosheng, Mr X) and one officer (Zhao Hong)in the Chinese catering and health food department . During these interviews, I can definitely figure out what problems the Chinese restaurants are confronting. Meanwhile, relying on the problems, we can build a completely reasonable management system in the Chinese restaurants. And during the interview the interviewees had to figure out the service management, leadership and team-building in the Chinese restaurant, and the outcome of interview had pointed out the importance and effective influence of management in Chinese restaurant such as brand, innovation, technology, service. Meanwhile, on the part of the developing management of Chinese restaurant, it pointed out the best managerial business model for Chinese restaurant is multi-channel model. Chinese restaurant can only strengthen channels of upstream and downstream, in order to enhance the competitive ability and management. Relying on the service management to increase more channels, the Chinese restaurant is supposed to be stronger and increase the ability of overwhelming risk.

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