

Disappointment at your door: the case of an underperforming food delivery service

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ABSTRACT

This is the first in a series of cases about Front Door Foods (FDF), a privately-owned company that specializes in digital food ordering and delivery of restaurant-prepared meals. Founded in the competitive and fast-paced food delivery industry, FDF has experienced rapid growth since 2019, boasting 78 locations in large and medium-sized cities in 10 states. With a relatively new Chief Operating Officer that is still trying to get a firm footing in the position, the company is faced with multiple pressing challenges, such as a persistent drive to open new locations, failing delivery times, and plummeting reviews from customers and in franchisee-to-restaurant relations.

The case provides the students with FDF's strategic perspectives, operational strategy, marketing, business model, and the background of key leaders. It illustrates the importance of intra-department dependencies and how those can solve operational issues. The case also shows the impact of not addressing operational deficiencies. It demonstrates the need to leverage project management solutions to address the problems faced at FDF. This case study, inspired by popular food delivery services, offers a relatable and approachable context for learners to apply management and project management concepts, fostering in-depth analysis and discussion.

Keywords: project management, delivery service, strategic planning, root-causes

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BRIEF HISTORY

In existence since 2015, Front Door Foods (FDF) is a privately-owned, American company specializing in online, restaurant-prepared, food ordering and delivery business. The company is based in Nashville, TN – the heart of country music. This centralized location is ideal for controlled geographic expansion through franchising which they have been doing since 2019. Having grown quickly, presently they have 78 locations in large and medium-sized cities in 10 states. The gross revenue in 2022 was \$351 million dollars (US).

MISSION/VISION STATEMENT

"At Front Door Foods, our mission is to provide our customers with convenient and delicious meals delivered straight to their front door from their favorite restaurant. We strive to build relationships with our customers and our community and to operate our business with integrity, respect, and a dedication to high-quality and timely service. Our goal is to make mealtimes stress-free and enjoyable, so our customers can focus on what's important to them. Come home to Front Door Foods, and let us take care of the rest."

MOTTO

"Our front door to your front door in 30 minutes or less."

MARKETING

FDF markets on social media sites specializing in city restaurant promotion and search. They also have secured links on many restaurants' home web pages. Hard-copy advertisements appear in hotel lobbies and airplane chairback pockets. Print advertisements appear in domestic travel journals.

OPERATIONAL GROWTH

FDF owns and operates 14 of the current 78 locations. The remaining locations are franchised to various partners in the service regions. No one partner owns more than 7 locations. The state-based regions include Tennessee, Kentucky, Alabama, Mississippi, North Carolina, Virginia, Arkansas, Georgia, Florida and Texas. By 2026, FDF intends to expand to five (5) additional states and grow to 110 locations. The price for a franchise is \$70,000 with a monthly base fee of \$2,500 and 1% of gross revenues. All franchise opportunities are marketed on entrepreneur and franchise websites and e-magazines.

BUSINESS MODEL

The FDF business model operates by receiving orders on their FDF application platform and communicating directly with any one of their more than 21,000 partner restaurants across the southeastern United States. Once the order is received by FDF, the pertinent restaurant is contacted electronically or via voice to place orders for the FDF patron. FDF promises to deliver the meal within 30 minutes of pickup from the restaurant. All orders coming into FDF are

assigned a seven-digit numerical tracking number. After the order is placed with the restaurant, the location's customer service member texts the FDF customer informing them of the approximate time for home or office delivery based on the restaurant's capacity and road conditions (traffic, weather, etc.). The FDF system also generates a text message to the driver with addresses for both the pickup restaurant and the home or office delivery. This text serves as a timestamp of when the order was placed at the restaurant. Much like a commercial mail or package driver, when the food is picked up from the restaurant, the driver keys "pick-up" on their FDF cellphone application, timestamping when FDF is in the custody of the ordered meal. Again, like a commercial driver, the driver keys "delivered" upon delivery of the meal to the desired location. This serves as a timestamp that concludes the service for the FDF patron. Additionally, a five-item customer satisfaction survey is sent immediately after the driver keys "delivered" on their FDF app.

WHO ARE THE PLAYERS?

Here are the five executive/strategic level employees for Front Door Foods:

1. Grace – Grace is the Chief Operating Officer for FDF. She has a background in logistics and supply chain management and is responsible for managing the day-to-day operations of the company, relations with restaurants, and new and existing location operational readiness. Grace is also responsible for developing and implementing new operational strategies to streamline the company's processes and improve overall efficiency to maximize customer satisfaction. She has been with FDF for eight months.
2. Bruce - Bruce is the Chief Technology Officer for FDF. Bruce has a degree in computer science and has logged years of experience in software development. He oversees the development and implementation of the company's technology systems. Bruce works closely with the marketing and operations teams to ensure that the company's website, ordering platform, and mobile app are user-friendly and offer customers a seamless ordering experience. He has been with FDF for six years.
3. Madeleine - Madeleine is the Director of Human Resources for FDF. Madeleine comes to FDF with a background in organizational psychology and is responsible for managing all aspects of the company's HR functions. She oversees recruiting, onboarding, employee training and development, and employee relations. She is passionate about fostering a positive work culture and creating opportunities for employee growth and advancement within the company. She has been with FDF for four years.
4. Richard - Richard is the Chief Financial Officer for FDF. With years of experience in finance and accounting, he is responsible for managing the company's finances and developing financial strategies to ensure the company's long-term financial stability. Richard is skilled at analyzing financial data and using it to make informed decisions about pricing, product offerings, and other key business decisions. He works closely with the other executives to ensure that the company's financial goals align with its overall strategic objectives. He has been with FDF for six years.
5. Zara – Zara is the Sr. Vice President of Marketing, Franchise Relations, and Customer Service. In her marketing role, she is responsible for social media, print and magazine advertising for FDF services. Zara is also responsible for researching market growth opportunities in new locations for either franchising or company ownership. She manages franchisee relationships to ensure continuity and expansion. She oversees FDF customer

feedback on services rendered on a location-by-location basis. Zara has been with the company for five years.

WHAT ARE THE PROBLEMS?

Grace has only been with FDF for eight months. In that time, location readiness for new and existing sites, as well as relations with restaurants, has primarily occupied her time. Some chronic problems seem to have plagued operational effectiveness since her arrival. She feels overwhelmed by the constant multi-tasking and “putting out fires.” She jokes that she feels like a nurse in an emergency department of a hospital due to the number of times she is pulled away from certain tasks only to focus on something else. Nevertheless, some core problems are not being addressed and the executive team is starting to point fingers.

These are the core problems FDF is experiencing:

1. New locations - “Standing up” a new location, or contract signature to initial operation, is taking longer on average than desired. FDF’s goal for standing up a new franchise location is 60 days. Stand up time has gradually exceeded the 60-day goal and now averages 71 days. The delay is slowing both financial and franchisee growth rates. The delay is also seen as a direct threat from competitors in the food delivery space who are trying to establish first-mover advantage in cities untapped by FDF.
2. Service delivery time – FDF’s motto of “Our front door to your front door in 30 minutes or less” is well known, and customers expect food to arrive within that 30-minute window. Internal data analytics suggest average delivery time is now exceeding 42 minutes. A breakdown of the data reveals delivery times differs by region – some areas perform well and are below the goal of 30 minutes while others nearly 50 minutes. As a result, customer satisfaction surveys have started trending down from the “4.6 stars” high on Google. Yelp is also now presenting a higher proportion of negative comments as compared to positive.
3. Restaurant relations – Franchisee to restaurant relations is measured by a monthly five-item electronic satisfaction survey. Three years ago, the survey response rate was 79%, and average satisfaction with FDF was 90%. Overall, participating restaurants were pleased and happy to be considered one of FDF’s customers. Now the survey response rate is near 55%. Despite the reduced response rate, satisfaction level has decreased less dramatically from 90% to 74%. Stated reasons for decline in satisfaction range from FDF pickup drivers’ unreasonable expectations, order clarity from FDF customers, and timeliness of payment from FDF to restaurateurs for food orders.

DISCUSSION QUESTIONS

1. How has FDF operationalized its vision, mission, and strategy?
2. Who are the key FDF stakeholders? Describe a communication challenge you foresee between FDF’s executive leadership and their key stakeholders.
3. Theorize as to potential root causes of each of the specific operational challenges facing the new operations leader.
4. Based upon the mission and strategy of the company, and in consideration of the company’s desire for continued success and growth, identify the most prevalent operational problem that Grace should address.

5. What operational problem could be addressed using project management? Who would be an appropriate champion or sponsor for that project?

TEACHING NOTES

Introduction

Based on the dynamic and complex nature of this business case, project management (PM) is well-positioned as an effective means to address unfamiliar organizational challenges (Munns & Bjeirmi, 1996). Ensuring that there is direct alignment between a successful project and the enterprise mission, project product success (i.e., project success) is viewed through the lens of meeting the project sponsor's strategic organizational goals and satisfying both user and stakeholder requirements (Anderson, 2014; Baccarini, 1999). Moreover, strategic organizational change is necessary to remain competitive in a rapidly evolving environment. The contextual elements such as strategy and organizational structure, are supported by project management in the pursuit of firm success (Ives, 2005).

In addition to the manner in which project management can support strategic requirements, the effective management of projects also address and resolve short-term operational problems. The discipline does so through the selection and development of project managers, choosing the right teams, and promoting effective communication among stakeholders (Cooke-Davies, 2002), which enables projects being completed on time, within budget, and meeting organizational objectives (Munns & Bjeirmi, 1996). The key is drawing attention to specific, serious, and/or chronic problems to align projects with the mission and vision of the organization (Andersen, 2014) and highlight the need for organizations to leverage project management practices to meet the needs of the dynamic business environment (Thiry & Deguire, 2007). Further, project governance can improve the flexibility of organizations by moving leaders towards a desired outcome through the alignment of organizational objectives and managing project risks (Too & Weaver, 2014).

Student Outcomes and Proposed Use

This is the first in a series of cases about Front Door Foods (FDF). The goal of this series of cases is to help the student think about the application of project management principles to graspable, real-world scenarios.

This case describes the landscape of FDF and its main executive players. Students are exposed to the FDF business model, executive team, and a series of ongoing issues that FDF is currently experiencing. The desired student academic learning outcomes of the case are:

1. Understand the details surrounding this case and the intra-departmental dependencies necessary for Front Door Foods' successful operation.
2. Articulate the key operational issues facing Front Door Food's operations.
3. Prioritize actions needed to address operational deficiencies.
4. Develop project management solutions to address problems at FDF.

Course and Audience

This case is appropriate for use with management and project management students in both upper level undergraduate and graduate programs of study. Student analysis of the case can

be presented as written answers to discussion questions in a face-to-face (F2F) or virtual setting. The instructor may choose to lead a F2F or virtual class discussion using the discussion questions. Students may also be assigned the discussion questions either individually or in a group setting to work on during a F2F class period or as a homework assignment. Students in management courses may use the case to springboard into other management discussions or assignments such as budgeting, finance or strategic planning. Project management students may use this case to springboard into other discussions or assignments pertaining to project charters, stakeholder analysis, and communication or risk matrices.

Student interest and applicability should be high with this case as FDF is modeled after popular food delivery services that are highly utilized by students. The concepts and problems surrounding FDF are both approachable and relatable, and should make discussing the case with students easy and straightforward.

Discussion Questions

1. How has FDF operationalized its vision, mission, and strategy?
2. Who are the key FDF stakeholders? Describe a communication challenge you foresee between FDF's executive leadership and their key stakeholders.
3. Theorize as to potential root causes of each of the specific operational challenges facing the new operations leader.
4. Based upon the mission and strategy of the company, and in consideration of the company's desire for continued success and growth, identify the most prevalent operational problem that Grace should address.
5. What operational problem could be addressed using project management? Who would be an appropriate champion or sponsor for that project?

Potential Answers to Discussion Questions

Student answers will vary to these questions. Below, potential answers to the questions are provided to further conversation with students.

1. How has FDF operationalized its vision, mission, and strategy?
FDF's mission is to provide fast and efficient food delivery services to customers, and its vision is to become a leader in the food delivery industry. To achieve this, FDF has implemented a 30-minute delivery time guarantee and has set a goal of standing up new franchise locations within 60 days. The company has also focused on building positive relationships with its restaurant partners and franchisees through regular satisfaction surveys. FDF has leveraged technology to improve the customer ordering experience and streamline its operations. These strategies suggest that FDF is trying to differentiate itself from its competitors by providing a high-quality and efficient service to its customers.
2. Who are the key FDF stakeholders? Describe a communication challenge you foresee between FDF's executive leadership and their key stakeholders.
FDF has several key stakeholders. Among them are the following (students may raise others): Customers are the primary stakeholders of FDF. They are the ones ordering food, and thus are the lifeblood of the company. They rely on FDF for timely delivery and quality service. FDF's mission statement emphasizes the importance of customer satisfaction, which is critical to the

success of the business. Maintaining customer satisfaction is a significant priority for FDF's executive leadership.

Participating Restaurants are essential stakeholders. Without them, the FDF business model does not work, and there is no food to be delivered. Maintaining a strong network of restaurants with varying menus is vitally important to keeping FDF's competitive advantage from slipping.

Franchise Owners are another critical stakeholder group. Owners running their own FDF franchise rely on FDF HQ for support, training, and operational guidance. Franchisees are critical to FDF's growth and success, and maintaining positive relationships with them is vital to the company's future.

Franchise Employees are also important stakeholders. They are responsible for delivering quality food and service to customers and supporting the franchisees. Fostering a positive work culture, providing training and development opportunities, and fair compensation are crucial for employee retention and productivity.

Investors have a significant stake in FDF's financial performance and long-term growth. They rely on FDF to deliver a return on investment and execute a sound financial strategy to maximize their returns.

A communication challenge FDF's executive leadership might face is maintaining open and transparent communication with all stakeholders while balancing the needs and expectations of each group. For example, FDF's emphasis on customer satisfaction might create tensions with franchise owners because they might feel that FDF is not adequately supporting their needs and concerns. Similarly, investors might prioritize financial performance over other stakeholder concerns, creating tensions with employees and customers. The challenge is to provide effective communication while maintaining the overall vision, mission, and strategy of the company.

3. Theorize as to potential root causes of each of the specific operational challenges facing the new operations leader.

Addressing FDF's operational challenges will be a priority for Grace. It will require a thorough analysis of FDF's operations and processes, as well as collaboration and communication among different departments and stakeholders within the company. Seeking out potential root causes is a good first step for addressing these challenges. The following list provides some potential root causes for the operational challenges discussed in the case. Students will raise others.

New locations: One possible root cause of slowed location stand up could be inadequate collaboration between the operations team and other departments such as marketing or legal. There may also be inefficiencies in the franchisee onboarding process, including delays in obtaining necessary permits or licenses (local government interference), lack of clear communication about FDF's operational requirements, or difficulties in finding suitable locations not already dominated by competing services.

Service delivery time: A possible root cause of declining service delivery time could be bottlenecks in the delivery process, such as delays in food preparation, transportation, or routing. Another possible factor could be population increase in certain geographical locations which has increased demand for existing FDF services. This population growth may have outpaced certain franchises' capacity to deliver in a timely manner.

Restaurant relations: Aside from the stated reasons for declining restaurant relations, another root cause may be poor communication and collaboration between the FDF franchise owner and its restaurant partners. There may be issues related to the quality or clarity of communication regarding customer orders or pickup times. Another potential factor could be changes in the

market or competitive landscape, which may be leading to increased pressure on restaurant partners to meet their franchise agreement.

4. Based upon the mission and strategy of the company, and in consideration of the company's desire for continued success and growth, identify the most prevalent operational problem that Grace should address.

Given FDF's mission and strategy to provide fast, reliable, and high-quality food delivery service to customers, the most prevalent operational problem that Grace should address is the service delivery time. Customers consider FDF's motto of "Our front door to your front door in 30 minutes or less" akin to a contract of sorts, and will voice their displeasure if that guarantee from the motto is not upheld.

Although FDF's internal data says average delivery time is now exceeding 42 minutes, some areas are performing worse. The declining ratings on popular review sites like Google and Yelp can be devastating to both FDF's local franchisee and the parent company. Improving service delivery time is critical if FDF is going to meet customers' expectations and maintain its competitive advantage in the food delivery space.

Grace should focus on identifying the root cause(s) of the delays in delivery time and implement process improvements to address them. Potential solutions might be optimizing delivery routes, improving driver training, or investing in new technology solutions to streamline the entire ordering and delivery process.

5. What operational problem could be addressed using project management? Who would be an appropriate champion or sponsor for that project?

The operational problem of delivery time could be addressed using project management. A project management approach could be used to help streamline the processes involved in receiving food orders and getting them out the door with delivery drivers. This would require identifying the key activities involved, including technology related pieces, determining their sequencing, and identifying dependencies and potential bottlenecks across the processes. An appropriate champion or sponsor for this project could be Grace, the Chief Operating Officer. Given that the delay in delivery times is affecting the company's image and potentially impacting its user base, Grace would have a vested interest in ensuring that delivery times are returned to their promised 30-minute window.

Other Potential Discussion Points

1. What quality management practices might FDF adopt to ensure that it meets its goal of delivering food within 30 minutes or less? How can FDF measure and monitor quality across its network of franchise locations?
2. How can FDF continue to innovate and grow in the competitive food delivery market? What new products, services, or technologies might FDF introduce to meet changing customer demands and stay ahead of its competitors?
3. How can FDF manage its relationships with key stakeholders, including franchisees, customers, and investors? What communication strategies might be effective in addressing stakeholder concerns and building trust and loyalty?
4. What are some potential risks or constraints that should be considered when planning a project to improve FDF's delivery times?

5. What strategies could FDF employ to balance its growth goals with financial stability? What financial metrics should FDF monitor to ensure that it is profitable and sustainable over the long term?
6. Instructors may ask students to discuss what they might do if they were in Grace's role at FDF.
7. Instructors may ask students to discuss what leadership traits they think would be most effective in Grace's situation based on the challenges she faces at FDF.

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