

# Pizza Hut

## Introduction

Pizza Hut is a worldwide franchise and chain of American restaurants that serves a variety of pizzas as well as main courses like salad, spaghetti, buffalo wings, breadsticks, garlic bread, and desserts. It is a division of Yum! Brands, Inc., the biggest restaurant corporation in the world, is officially known as Pizza Hut, Inc. In 2012, there were more than 6,000 Pizza Hut outlets worldwide, with more than 5,139 of those being in 94 different countries and territories.

## **Pizza Hut's Supply Chain Management**

Pizza Hut, like many of its global competitors, has a highly franchised business model to boost profit margins. However, Pizza Hut also owns Pizza Hut's Supply Chain Services (SCS), a division that provides equipment, supplies, ingredients, and services to the company's and franchised restaurants (Bogataj, Bogataj, Vodopivec, 345).

This business strategy not only offers Pizza Hut a large cash stream, but it also enables the firm to preserve quality standards and maintain consistency throughout franchised locations. Pizza Hut's domestic supply chain sector generated 56% of the company's overall revenues in 2010.

The Pizza Hut supply chain affiliate can also make use of its huge scale and purchasing power to reduce expenses when commodity prices change. Pizza Hut's division has helped the company gain a competitive edge over its international rivals. Various sources claim that globalization has impacted and raised competitiveness in the food chain business as well as other industries. As a result, Pizza Hut is battling international competition and working to get an advantage over its rivals (Bogataj, Bogataj, Vodopivec, 346). Pizza Hut's supply chain divisions provide franchisees with one-stop shopping.



### Conclusion

The management at Pizza Hut needs to pay close attention to supply chain management since the profitability of its business model would be challenged without efficiency in this area. The company's business model is to deliver pizza as quickly as possible or to make it available. This relates to the company's front-end activities. However, efficient and effective supply chain management is essential to the sustainability of front-end activities. Since best practices can be shared between the company and its suppliers, the management of the company develops a relationship-based strategy with its suppliers.

This assures that the business can maintain consistent operating standards throughout its whole chain, both locally and globally. This is made possible by including suppliers in supply chain management so that the chain can keep its strategic focus.

#### For More Info.

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