**Managing Risk in a New Restaurant Project**



Managing Risk in a New Restaurant Project, ensuring that potential threats and uncertainties are identified, analyzed, and mitigated effectively. This essay addresses three scenarios in which risks are placed in a new restaurant project and discusses the appropriate actions a project manager should take to manage these risks.

https://youtu.be/x7A9idByPA4

**Managing Risk in a New Restaurant Project: Change of Management at a Supplier**

In the given scenario, the retirement of Marvin and Betty, the owners of AAA Concrete, and the business transfer to their children raise concerns about the quality of materials the new management provides. Considering the sizeable concrete balcony for alfresco dining, it is essential to assess whether this management change poses a risk to the project.

This change indeed introduces a potential risk to the project. The rumors suggesting a decline in the quality of materials provided by the new management raise concerns about the structural integrity of the concrete balcony. If the materials used in the construction are of lower quality, it could compromise the safety and durability of the balcony, posing a significant risk to customers and the project itself.

As the project manager, it is crucial to take proactive measures to address this risk. The following actions should be considered:

Verification of supplier capabilities: Initiate a meeting with the new management of AAA Concrete to discuss the quality standards and expectations. I'd appreciate it if you could assess their experience, qualifications, and commitment to delivering materials that meet the required specifications.

Material testing: Implement a quality assurance process that includes independent testing of the concrete materials to ensure they meet the necessary standards and requirements.

Supplier diversification: Identify alternative suppliers and assess their capabilities to provide high-quality materials. This would provide a backup plan if the risks associated with the new management of AAA Concrete cannot be adequately addressed.

Scenario 2: Purchase of Used Commercial Freezer and Oven

In this scenario, an employee suggests purchasing second-hand commercial freezer and oven units, which could result in significant cost savings compared to buying new ones. As the project manager, it is essential to evaluate the implications of this decision and decide on the best course of action.

While the cost savings may seem appealing, purchasing used appliances introduces potential risks to the project. These risks include:

Reliability and performance: Used appliances may have a shorter lifespan and be prone to breakdowns, leading to operational disruptions and potential financial losses.

Compliance with regulations: Used appliances may not meet the current safety and health regulations, jeopardizing the restaurant's compliance and potentially leading to legal consequences.

Maintenance and warranty: Used appliances may come without warranties or after-sales support, increasing the maintenance and repair costs.

As the project manager, it is advisable to prioritize the long-term benefits and minimize potential risks. The recommended actions include:

Conduct a thorough cost-benefit analysis: Evaluate the savings from purchasing used appliances against the potential costs of maintenance, repairs, and non-compliance with regulations.

Please take a look at the appliance's condition and history: Inspect the used freezer and oven units to determine their condition, maintenance history, and compatibility with the restaurant's requirements.

Consult industry experts managing Risk in a New Restaurant Project: Seek advice from professionals or consultants in the restaurant equipment industry to determine the potential risks and benefits associated with purchasing used appliances.

Weigh the alternatives: Consider leasing or renting new appliances as a viable alternative, which may offer lower initial costs and provide more excellent reliability and compliance.

If the decision to purchase used appliances is accepted, it is crucial to document this change through a change document. The change document should outline the reasons for the decision, associated risks, mitigation strategies, and any additional costs or impacts on the project timeline.

**Managing Risk in a New Restaurant Project: New Instance of Risk**

To provide a third scenario, let's consider the following situation: During the construction phase, unexpected soil conditions are encountered. The soil's stability and load-bearing capacity are significantly lower than anticipated, which could compromise the building's structural integrity.

**As the project manager, the appropriate actions to handle this Managing Risk in a New Restaurant Project risk include:**

Engage geotechnical experts: Consult with geotechnical engineers to assess the soil conditions and provide recommendations for addressing the issue.

Redesign and reinforce: Collaborate with architects and structural engineers to modify the building design and incorporate necessary reinforcements to ensure stability and safety.

Budget and timeline adjustment: Evaluate the cost and time implications resulting from the soil condition issue. Could you communicate with stakeholders and update the project plan to accommodate the required adjustments?

In summary, Managing Risk in a New Restaurant Project must be done well for projects to be successful. The risks recognized in the context of a new restaurant project, such as supplier changes, buying secondhand appliances, and running into unforeseen soil conditions, call for proactive management. Project managers must evaluate and address these risks through supplier validation, material testing, cost-benefit analysis, expert consultation, and appropriate project plan modifications. Project managers can guarantee successful completion while preserving the restaurant's quality, safety, and profitability by identifying and minimizing risks.

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