

Chapter 48

Mona El Fadly: Spinning Off the Supply Chain

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ABSTRACT

This case examines a business in the food catering industry and demonstrates the importance of supply chain practices even to an entrepreneur's small business. The business is legally registered as 'El Yosr Food Corner' and has been operating in Egypt since 1997. It provides standardized as well as customized home-made oriental dishes at competitive prices. By 2009, the surge in the growth of the business had strained the company's operational capabilities in various ways. Furthermore, the business had encountered a number of hitches as a result of inefficiencies in supply chain management. Menna Reda, El Yosr's consultant, was called in to advise the enterprise owner and managing director, Mona El Fadly, of the proper course of action to address these challenges.

INTRODUCTION

In October 2009, Mona El Fadly, the owner and managing director of El Yosr Food Corner, a privately owned food catering business in Cairo, Egypt, swiftly grabbed her records of purchase orders made to 'Sawaris supermarket'. As she flipped through the dozens of daily receipts, trains of thoughts ran through her mind. The business had been experiencing some difficulties over

the past few months, from surges in demand to a mismanaged business-supplier relationship.

As El Fadly jotted down the last item in a customer's phone order, Menna Reda, El Yosr's consultant and an El Yosr customer, arrived at the company and their meeting was about to start. Reda had volunteered to work on this assignment; after the business's high-pressure operations had sparked her attention. Indeed, stress was very much a part of the atmosphere at El Yosr, so much so that El Fadly's kitchen operations might well be mistaken for an emergency surgery in a hospital.

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Over the past couple of months, Reda learned during the meeting, El Fadly's business had witnessed a set of unfortunate events. The business had delivered three late orders - in fact, over three hours late each. El Fadly had also received a customer complaint regarding a batch of rock-like biscuits. The stuffed biscuits in question were considered the business's flagship brand in Maadi, a suburb of Cairo. The occasional unavailability of critical ingredients at her suppliers' retail stores added to the frustration, to say the least. In the past, the company had handled a much smaller number of orders and operated on a narrower scale. Today, with the ever-increasing items on the menu, the limited storage areas and the need to maintain strict freshness standards, something had to be done concerning business-supplier collaboration, and specifically, collaboration with El Yosr retail suppliers such as 'Sawaris supermarket'.

A few hours later, Reda came out of the company and smelled the warm breeze of *kofta* being grilled in the outdoor area of the company premises. As she walked away, she mentally reviewed the notes she had taken during the meeting, looking for answers to the two vital questions plaguing El Yosr: Could the company grow further with the current processes in place? Or had the company "outgrown" its existing processes?

ORGANIZATIONAL BACKGROUND

El Yosr Food Corner Overview

A mother of three and, for years, a dedicated housewife, Mona El Fadly lived in Maadi, a quiet neighborhood of Cairo, Egypt. As an Egyptian woman whose Middle Eastern culture was characterized by warmth and collectivism, El Fadly enjoyed an active social life. She was also a talented cook, a skill she put to use in her voluntary activities within the community, as well as socially. On holidays and special occasions, friends and neighbors regularly exchanged gifts in the form of

cooked meals, and her own culinary skills had not passed unnoticed. In 1993, the peace and quiet of El Fadly's existence was shaken when friends and family urged her to turn her talent into a money-making activity, instead of engaging solely in the old time tradition of caring for her children and serving the community.

The year 1997 marked the beginning of El Fadly's success story. She started her own home-based catering service, cooking two to three times a week at her convenience. She sold *kahk* (Middle Eastern biscuits associated with *Eid El Fitr*, a major Islamic feast), petits fours, tuna cakes and a variety of other desserts, as well as club sandwiches. By 1998, she already had three assistants working full-time, from 8:00 am to 5:30 pm. Customers picked up their orders from her house.

As the business expanded, El Fadly began to realize her home could not continue to double up as her workshop. So in 2000, El Fadly moved her business to a small independent apartment in Maadi that accommodated five assistants and a delivery man. Between the years 2000 and 2003, El Fadly's business experienced two other moves within the neighborhood. In addition to space restrictions as the business continued to grow, El Fadly also had to deal with complaints about the business being in a residential building – the smell of food and the constant flow of people in and out of the apartment irritated some of the neighbors.

Finally, in 2003, El Fadly moved the business to the ground floor of a building owned by her family - an ideal solution. She suffered no more complaints from neighbors; she had her own garden, a private entrance and plenty of parking space; and she could also care closely for her mother, who lived in the same building and was very sick during the last year of her life.

El Fadly had only advertised twice since her business had started up: in the Yellow Pages and in a magazine distributed to the Maadi community. But unlike any other neighborhood in Greater Cairo, Maadi had an unmatched network of people; it was a real grapevine. So, hardly

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