

**Interlocking the Success of Flipside & The Pit  
A Strategy Prepared for AMS UBC**

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**University of British Columbia**

**COMM 486M**

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**Interlocking the Success of Flipside & The Pit**  
**A Strategy Prepared for AMS UBC**

*“To provide the university community with valuable services they want, while maintaining a profit.”*

**Commerce 486M**  
**Section 204**

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## Table of Contents:

02	Executive Summary
03	Bird's Eye View
04	Environmental Analysis
05	Petal Analysis
06	Identifying Main Issues
07	Recommendations Overview
08	Recommendation 1 – Rebranding
09	Identifying Customer Types
10	Positioning
11	Recommendation 2 – Marketing Strategy
12	Recommendation 3 – Menu Simplification
13	Recommendation 4 – Application Development
14	Triple Bottom Line Approach
15	Risks and Mitigation
16	Implementation Timeline
17	Balanced Scorecard Part 1
18	Balanced Scorecard Part 2
19	Closing Remarks
20	Appendix A
21	Appendix B
22	Appendix C
23	Appendix D
24	Appendix E

## Overview

FLIP  
SIDE



THE PIT

What/where are we?

Where are we going?

How do we get there?

## Executive Summary:

This report was commissioned to help AMS increase revenues and reduce costs while maintaining their sustainable strategy in giving back to both the student community and environment. Specifically, this report provides an in depth analysis for The Pit and Flipside, and recommendations which surround understanding the customer base, and utilizing synergies between the two restaurants to build sustainable growth. A number of key issues and opportunities have been identified to overcome the challenges identified. In short we are going to answering the following questions:

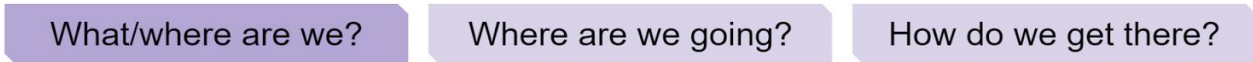
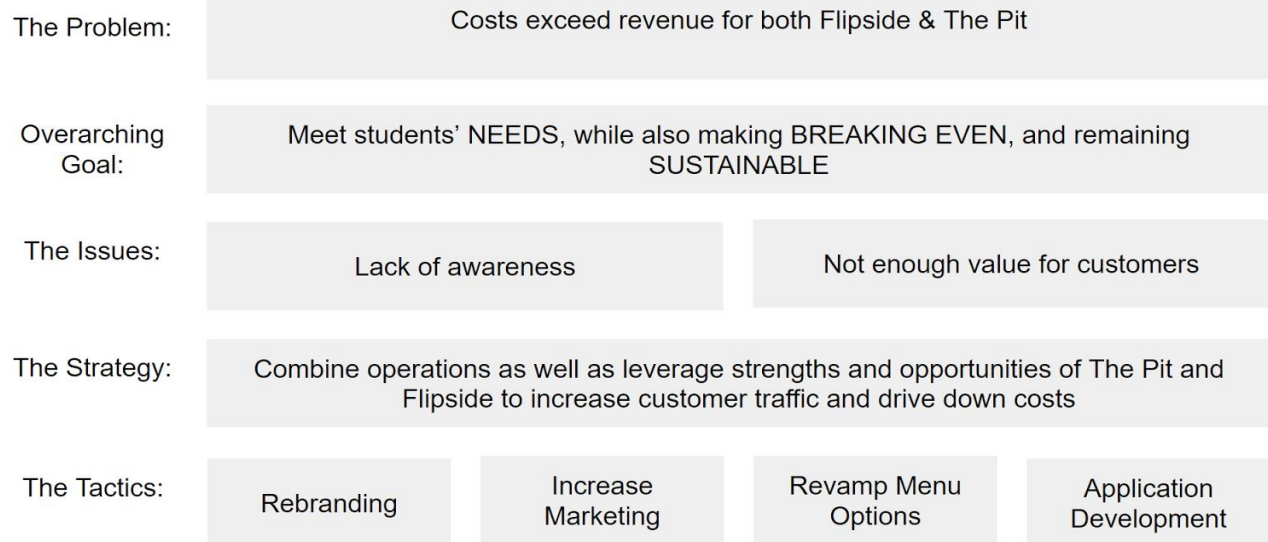
1. What/where are we?
2. Where are we going?
3. How do we get there?

## Case Approach:

We have taken a holistic approach to this case. A SWOT analysis was used help get a better understanding of the overall business environment. To access the direct and indirect competitors, we used a pedal analysis and a map of the surrounding area. We conducted an online survey to get a better understanding of customers' needs and profile by conducting an. We also analyzed AMS' strategy to ensure our ideas align with core organizational values.

Through this rigorous process, we have identified numerous the issues and opportunities. However, we narrowed our focus to a few major ones using the ERRC. This way, we can ensure our recommendations and implementation plan is simple and effective. We generated a balance scorecard with key performance metrics to measure the success of our proposed plan. Last but not least, we considered potential risks that might hinder the success of our implementation plan and have come up with ideas to reduce the risks.

Our recommendations for The Pit and Flipside can serve as a basis for future improvements to other AMS businesses in similar situations that want to reach anticipated results.



## Bird's Eye View:

The key objective for The Pit and Flipside is to reduce costs and increase revenues without deviating away the sustainable mindset. In our analysis, we identified The Pit has missed out on potential revenue due to a low utilization of space. We recognize that it has now opened to serve food from Pie R Square and Flipside, but there is still not enough traffic to be profitable. Flipside, on the other hand, has a more serious problem. Despite having higher traffic, Flipside has high operation costs, which sales are unable to cover.

We understand the key to success is to meet student needs and create as much value as possible as since the existing market is growing at a very slow pace. In the following analysis, both direct and indirect competition are taken into consideration including other businesses in The Nest, businesses on campus, and people who choose to not eat lunch at all or bring lunch. In today's fast-paced society, technology plays a major role in young adults' life. Entities like the AMS need an agile strategy to remain competitive and take advantage of this trend. In this report, both defensive and offensive strategies for The Pit and Flipside were utilized to outcompete rivals.

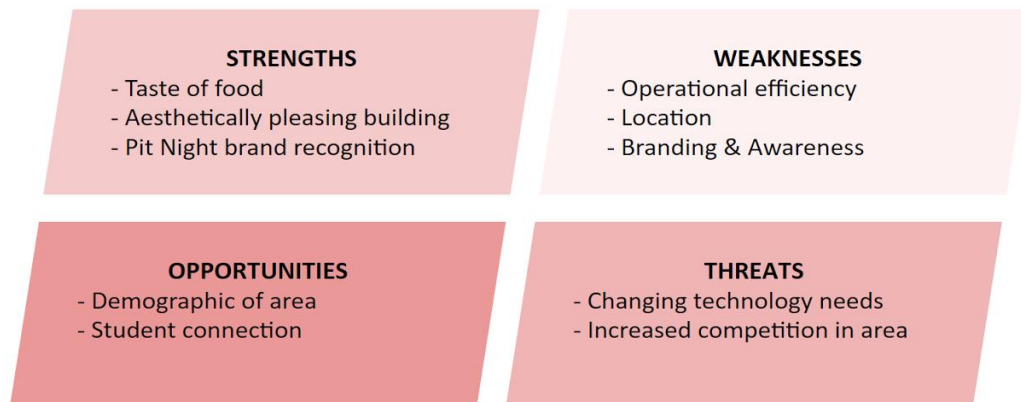
## Strategy Mindset:

Keeping in line with the AMS sustainable mindset, the triple bottom line approach was taken in creating coming up with recommendations for the Pit and Flipside. Briefly, The Pit and Flipside can be profitable while continuing to make positive impacts to the environment and student life by implementing marketing-centric ideas.

The in-depth analysis and recommendations will maximize synergies between The Pit and Flipside to remain a fierce competitor in the marketplace. The AMS will become more profitable while keeping in line with sustainability strategy agreement with SEEDS. This report will explore how the AMS, specifically The Pit and Flipside, can be combined to compete in an increasing hostile market.



# Environmental Analysis



What/where are we?

Where are we going?

How do we get there?

## Environmental Analysis:

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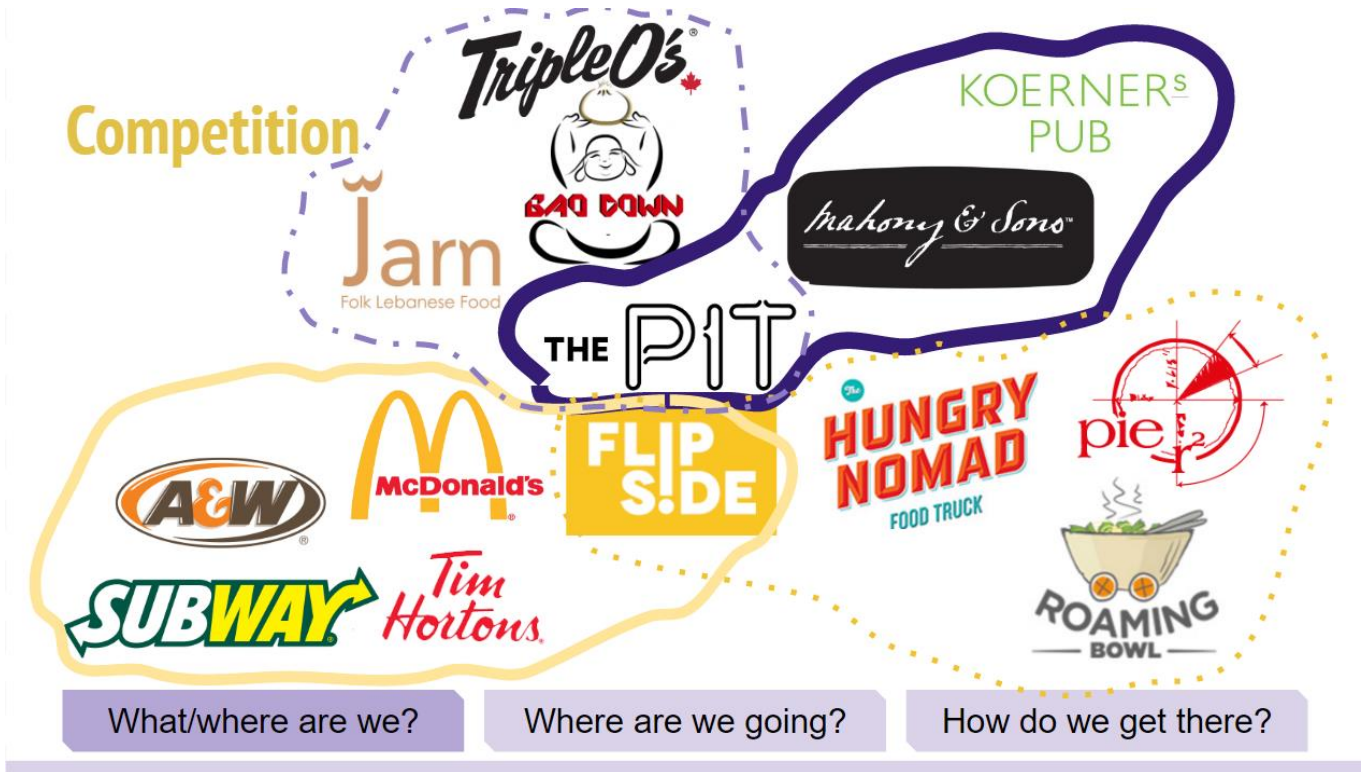
During our environmental analysis, we used various tools to gather information about what was doing well and what could be improved upon. We conducted a survey to university students to gain insight into their needs and wants. We also wanted to gauge whether or not people even knew about these establishments. The results of our analyses have been compiled and summarized into a SWOT analysis, depicting the current internal strengths and weaknesses, and external opportunities and threats.

One of the strengths that the combination have are the taste of food the Flipside offers. Through our questionnaire research, one of the things that stood out is that of the people that have tried to dine at Flipside, most identified the taste of its food as either a 4 or 5 out of 5. This suggests that if we can get people to try the food, they will likely enjoy it. Coupled with a better customer experience, more people will be drawn to The Pit and Flipside.

The new Pit outshines the old Pit as it has a higher quality sound system, stylish interior design, and media outlets such as the numerous TV's on the wall. In the Old Sub, The Pit has always been known for Pit Nights. This legacy still continues today in the new location at The Nest. During Pit Nights, the pub continues to be a popular location especially to first and second years since a large population of people living on campus are in their junior years. Since the Nest only recently opened in October 2014, this means only the junior years are very familiar with the Pit's location. The opportunity/weakness here is not enough people know of the The Pit's new location especially students in more senior years who tend to live off campus. Also, while the pub is busy during nighttime, not many people know it is open during the day as well.

Some glaring weaknesses are operational efficiency and lack of brand recognition. Speed of service and customer service were both quite low in our survey results. People are not likely to return if their experience isn't good, and can also dissuade friends from trying the food. Also, many people have never heard of Flipside nor do they know what it provides. These weaknesses need to be addressed in order for the businesses to be successful.

One of the greatest opportunities that being a part of the AMS Nest offers is the connection with the students. As a student run organization, the AMS can use this connection to understand the needs and best meet them, in comparison to its corporate competitors. Also, the demographics of the area are perfect for a bar and a quick lunch burger bar. Threats to the success of The Pit and Flipside are the changing technology demands of the industry and increasing competition in the area.



## Petal Analysis:

The Pit and Flipside are operating in a very hostile food and dining market. In this red ocean, there are many competitors waiting for us to fail. The Pit competes with nearby pubs catering to UBC students, including Mahoney & Sons just across University Boulevard and Koerner's Pub, by the Museum of Anthropology. Although the Pit is more popular on Wednesdays, the other ones are far more consistently busy.

Flipside has even more competitors, in different segments. First is fast food, including McDonald's and A&W in the village, and Subway reopening in the old student union building. It is difficult for Flipside to compete with the speed of these establishments, but they do serve similar fare. Flipside also competes with quick lunch stops, such as the food trucks parked on campus at UBC. Although serving slightly different food, these are easier to access, usually located closer to buildings in which students have class, which may lead students to prefer them over Flipside.

Both Flipside and the Pit will also be in competition with casual dining restaurants such as the Triple O's below the Sauder School of Business, and new restaurants getting ready to open in the U Boulevard Neighbourhood (U., 2017) such as Bao Down and Jam Jar. Also, both compete indirectly internally with the other food offerings available in the AMS Nest.

Because of this environment, Flipside and the Pit have to find a sustainable point of differentiation that will compel customers to choose them over any of the other options available. Simply providing good food is insufficient to stay competitive.

# Main Issues: Blue Ocean ERRC Grid

Eliminate	Reduce
Pizza Offerings at the Pit	Menu Selections Unqualified Staff
Raise	Create
Marketing Service Speed Customer Service	Sustainable Value Application Platform New Collaboration & New Branding

What/where are we?

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## Main Issues:

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We used the ERRC - Eliminate Reduce Raise Create grid from the Blue Ocean Strategy to identify the potential areas that the Pit and the Flipside can work on, and the strengths they possess that can be better amplified. It is vital for both to raise their marketing budget. In order to increase the demand, both The Pit and Flipside need to spend more time and effort on marketing, especially to let students know that the Pit has relocated and reopened. According to our survey, many people have never visited either establishment, which indicates a need for more effective marketing techniques. We also found that there is an urgent need for them to improve service rates and the quality of customer service. This is crucial for changing the customer that wants to try new food, into a repeat customer who will also use word of mouth to encourage friends to visit. Customer experience is central to the success of a food business.

In order to implement the new collaboration strategy, the Pit has to eliminate its current pizza offering on site. We suggest the Flipside to downsize and upgrade their menu as well as sharing their menu with the Pit. Reducing the quantity of offerings and sharing the menu can allow greater focus to the quality of the items available. The efficiency and quality of service can also be improved through reducing unqualified staff, with better hiring, training and performance evaluation procedures.

The Pit and Flipside are missing some aspects that should be created in the future. They should incorporate sustainability as a value in order to align goals with the AMS Nest as a whole. This can also attract more environmental and health conscious consumers as new potential demand. They also need to create an application that allows pre-ordering and payment technology in order to speed up service times. This will allow them to remain competitive in the technologically advanced environment. The new collaboration and branding strategy will be a new opportunity to improve the situation of both The Pit and Flipside.



# Recommendations

*Optimize synergies between Flipside and the Pit*

**Rebranding**

**Increased  
Marketing**

**Menu  
Reduction**

**Application  
Development**

What/where are we?

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How do we get there?

## Recommendations Overview:

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In order to best become more profitable while meeting the needs of the student demographic, we need to optimize the synergies between Flipside and The Pit. In order to achieve the overall goal, we have laid out several key recommendations that will guide the two in the right direction.

First, to address the issue of unaware consumers, we suggest rebranding. It will be important to be consistent and persistent in the image The Pit and Flipside are attempting to convey. They need to make sure that all damage is repaired quickly to maintain the brand reputation. Also, visual representations such as logos and storefronts need to be consistent throughout.

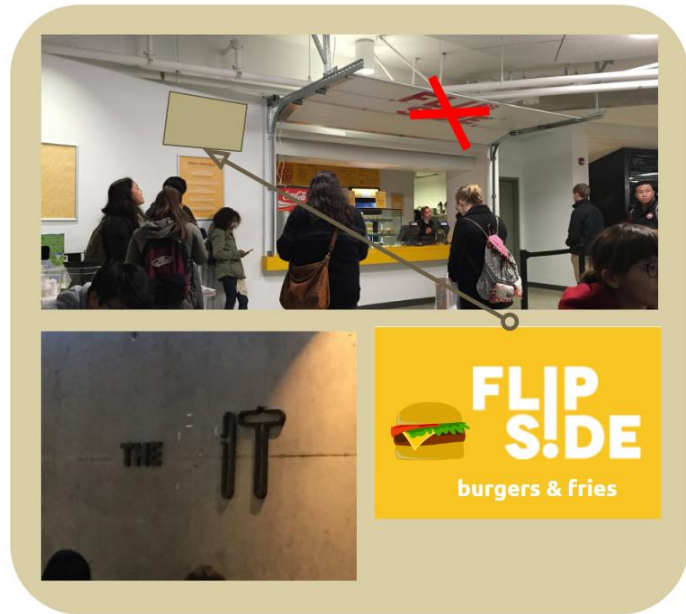
Next, also in response to the issue of unaware consumers, marketing efforts need to be increased drastically. We will dive deeper into customer segmentation and our revised positioning later on in the report. Put simply, marketing needs to increase in both quality and quantity in order to increase the demand for our particular product in the market, in comparison to other competitors.

In order to maximize the cohesiveness between The Pit and Flipside, the menu can be shared. The known successful items can be carried over to The Pit. In implementing this, The Pit could be made into the dine-in and drinks area, and Flipside would be the take-out window. Also, the menu offerings should be reduced, cutting out unprofitable and unpopular items. This can help cut costs, and simplify the cooking process.

Finally, as technology progresses, people are demanding mobile applications to pre-order at their favourite restaurants. It is important not to lag behind, because the demographic of the area is tech-savvy individuals who are short on time. A mobile and desktop application should be developed so people can pre-order and pre-pay for their meal, and simply pick it up at the Flipside window when they arrive.

## Rebranding

- Pit OK
- Upkeep repairs & maintenance
- What do we sell?
- Brand consistency
- Attention to detail
- Visibility



What/where are we?

Where are we going?

How do we get there?

### Recommendation 1 – Rebranding:

The Pit is fairly well recognized, being quite literally in the “pit” (basement) of the Nest, and Wednesday nights are known to many UBC students and their friends as “Pit Night”. The logo and appearance are quite sleek, congruent with the image it is aiming to exude. Only a few small aspects, such as repairing the damaged sign immediately when damaged, could help protect the brand image. While the branding of the Pit is relatively well done, Flipside has several points on which it can improve.

Firstly, it is not immediately evident what Flipside sells – Is it eggs? Or pancakes? The customers have to know what the restaurant serves before they will be willing to dine there. To resolve this issue, perhaps a picture of a burger and the slogan “Burgers & Fries” could be added to the name at the storefront. This way, people will know what the restaurant offers, and will be more inclined to visit, if it suits their wants and needs.

Also, there are quite a few small details that affect the branding of the business. For example, the logo on the AMS site is yellow. However, on the garage door that leads to the burger storefront, the logo is red. It may seem small, but research has shown that consistency in branding is extremely important, to brand recognition and brand loyalty (Why Consistency Is So Important to Branding, 2016). Another point is that when the garage door is open, the logo is facing downwards, making it illegible to passersby. A storefront should be an advertisement (The Benefits of having a Professional Storefront, 2016), so it is important that it shows potential customers that the restaurant exists. Perhaps the logo could be moved to the wall beside the door.

And finally, additional branding efforts could be made to enhance and capitalize on the cooperation between the Pit and Flipside. Progressively, marketing should be done collaboratively. For example, the Pit could be advertised with “now serving food from Flipside, Burgers & Fries”; and Flipside could use “now being served at Pit Night”. This allows each to feed off energy and recognition from the other, likely boosting sales overall.

# Segmentation

	Demographic	Life Style	Behaviour
Food Seeker	<b>UBC Students</b> <b>Age: 18-28</b> <b>Income: Low</b> <b>Both Genders</b> <b>International and Domestic</b>	Busy Students Life Style	<ul style="list-style-type: none"> <li>• Visit at lunch/dinner time</li> <li>• Demand quick service time, convenience, low price, relatively better taste.</li> <li>• Do not care to much about eating environment and entertainment</li> <li>• Feel hard to get a table</li> </ul>
Sports Fan		Love watching Sports	<ul style="list-style-type: none"> <li>• Visit during game time</li> <li>• Most likely a fan of NBA, NHL, MLA, NFL or European soccer.</li> <li>• Demand good quality of drink and finger food.</li> <li>• Demand comfortable environment</li> </ul>
Socialite		Enthusiastic about social events	<ul style="list-style-type: none"> <li>• Visit the Pit at night for social events or for fun</li> <li>• Demand trendy environment and music</li> <li>• Looking for new people who can connect with them</li> <li>• Love posting photos of socializing</li> </ul>

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## Identifying Customer Types:

For the purpose of delivering effective marketing strategies, we have to figure out who are our customers. After rebranding we identify 3 potential customer groups for The Pit and Flipside, which are the food seeker, sports fan, and socialite. All three segments have similar features in terms of demographics. Their ages range from 18 to 28, mostly UBC students with low incomes.

The factors that truly differentiate each customer group from the others are their purchasing behaviors toward our product and service. For most of the Food Seekers, they come and visit The Pit and Flipside during lunch and dinner time, and they usually discover that all tables in the NEST are occupied. What the Food Seekers demand are basically a quick service time, easy to eat food since they are always on the run to the classes. In addition, they are price sensitive, and want their food to taste relatively better. On the other hand, the Food Seekers do not care so much about their eating environment as long as they can find a table or sometimes just a seat.

The Sports Fans, however, demand something different from us. Firstly, the Sports Fans can be divided into two groups, the international and the domestic. And those two subgroups enjoy different sports. The internationals, saying mostly from Asia, Europe, and South America, are big fans of soccer. We should also notice that the Chinese international student group is significantly larger than the other groups. The dominant sports for the Chinese international are basketball, in particular the NBA games, and also the European soccer leagues are very favored by them. On the domestic part of story, without a doubt, hockey, is the major thing, followed by football and baseball. The Sports Fan as a whole when visit us, demand drinks and sometimes food especially finger food. They usually come together with friends and expect a comfortable environment including the table, seat, and the quality of TVs.

The last group is the Socialites who are members of different school clubs and, attend various social and networking events. Those people come to us for meet more new people who can connect with them in some way. They usually come to the Pit at night to have fun. The Socialites highly demand a trendy environment and music. One important feature for the millennial college socialites is that they love to post their photos of them socializing on their Facebook, Instagram, or Snapchat etc. It is also noticeable that in every September, a large number of new students, both domestic and international, come to UBC with very high demand for social occasions since they need to make friends. Those people are not necessarily good enough to be called the Socialites, but they have strong desires to establish new connections for their college life.

## Positioning

*“At The Pit and Flipside, we aim to meet food seekers, sports fan, and socialite’s needs on the UBC Vancouver campus by offering a unique menu selection and lounge atmosphere.”*

What/where are we?

Where are we going?

How do we get there?

### Positioning:

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After identified the three groups of customers who demand differently from the Pit and Flipsided, we position the rebranded Pit and Flipside as above. In order to reach all potential customers, the rebranded Pit and Flipside should deliver ongoing marketing campaigns through four major channels: the official social media page of The Pit and Flipside, traditional on campus ads such as posters and banners, the newly developed mobile application, and the partnerships with school clubs and groups. For increasing effectiveness, different marketing campaigns should be designed to target different segments.

# Marketing Strategy

Target Audience	Marketing Tactic	Channel
Food Seekers	Weekly special promotion Mobile app ordering discount "Enjoy your food inside the Pit"	<ul style="list-style-type: none"> <li>• Social media</li> <li>• Mobile application</li> <li>• On campus ads</li> </ul>
Sports Fans	Game Schedule Notifications "Choose your game at your table"	<ul style="list-style-type: none"> <li>• Social media</li> <li>• Mobile application</li> <li>• Storefront marketing</li> </ul>
Socialites	Theme nights/club nights/faculty night "Photo tagging" & Video branding Boy's/girl's night "New to UBC"	<ul style="list-style-type: none"> <li>• Social media</li> <li>• Mobile application</li> <li>• School clubs &amp; Groups</li> </ul>

What/where are we?

Where are we going?

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## Recommendation 2 – Marketing Strategy:

The main focus when targeting the Food Seekers are generating customer traffic and increase awareness. Regarding generating customer traffic, one successful example on the campus is the Triple Os' Tuesday Special campaign. Their promotional campaign is simple but effective. With only one particular product on sale, Triple Os' is able to generate huge amount of customer traffic. From the example, we can see that the Food Seekers on campus are highly price sensitive. With that being said, The Pit and Flipside should apply the same promotional strategy for generating customer traffic. One of our product, preferably the most popular one, should be discounted on each Monday, which is the busiest days on campus for generating traffic.

When targeting the Sports Fan, it is important to broadcast games beyond the scope of regional sports due to the culture diversity of UBC. In order to optimize user experience especially for the Sports Fans, we suggest The Pit to inform potential customers about the daily game schedules through social media, mobile app, and storefront marketing. By doing that, the customer could easily discover the games they are interested and become more likely to visit. The sports scope should at least include the European Champion League, NBA, NHL, CFL, and sometimes English Premier League if the time falls within our opening time. The Pit should also utilize their strength of having many individual TVs on many tables. The marketing campaign should be centred on "Choose Your Game at Your Table" to match different demands of sports as well.

One important tactic that will potentially attract the Socialites is to establish new relationships with school clubs. This tactic should focus on convincing them hosting their events in the Pit which is beneficial for the Pit for both profitability and brand awareness. Also, we should create worth sharing content on our social media. One specific idea of that is to partnership with the Photography Club and let them help us to take and edit photos and videos from those event nights. Since people love to share photos which they are good looking, we should provide good quality pictures taken and edited by the Photography Club expertise. By doing this on social media, the Pit can increase their brand image and awareness with minimized cost. Furthermore, when utilizing the social function of the Pit, we should also remember to target the new comers to UBC each year. Although, not all of them are being recognized as "The Socialites", the new comers still highly demand social occasions to make new connections. The Welcome to UBC party should be set up once a year in September along with other theme nights.



## Menu Reductions

### DOWNSIZE



Downsize current menu, focus on popular offerings

### SHARE MENU

Flipside as a pick-up window; Pit as the dine-in option



What/where are we?

Where are we going?

How do we get there?

## Recommendation 3 – Menu Simplification

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Issues:

1. No food offering at the Pit;
2. Flipside has slow servicing rate, bad customer service
3. High fixed cost that is hard to break-even with current sales

As our survey results and in-depth customer interviews has suggested, we think Flipside does have popular and well-established menu offerings. We proposed a sharing-menu strategy that let Flipside and the Pit share the same menu offering while making use of both kitchen space and utilities. Flipside will become a pick-up and to go window that have fast servicing speed, while if customers want dine in and nice service experience, the Pit will be where they can go.

Flipside has more than twenty categories of food but not all of them are popular and profitable. Menu variety might be one of the reasons restricting cook speed. While Flipside and the Pit are sharing the same menu, it is vital to upgrade the current menu, get rid of the not-so-popular ones and focus on those that are more profitable and have better feedbacks.

With two kitchens running at the same time, the two businesses can have better division of labor thus increase servicing speed. The production process can be broken down into several stages and a particular individual to be responsible to their assigned stage of work. This makes management easier to monitor the performance of each employee and quickly identify bottleneck issue if there is any.

# Application Development



- Mobile ordering technology is now a need, not a want
- Crowdsource knowledge and skill
- Coding competition
- The Nest is a student haven, run by the AMS
- Pre-ordering, loyalty programs
- Support other businesses too

What/where are we?

Where are we going?

How do we get there?

## Recommendation 4 – Application Development

In the fight to compete with all the casual dining establishments existing and opening in the area, the Pit and Flipside need to find an innovative and sustainable point of differentiation. Because we have identified that two of the main issues present are the speed of service and the fluctuation in the quality of customer service, a mobile application should be developed in order for customers to pre-order and pay for their orders prior to arriving at the Nest, and simply pick up their food at the Flipside window. We recognize that xDine exists, but there is huge room for growth, as the current application is difficult to use and it would be difficult to amend it, so it would be best to start from scratch.

Many restaurants and cafes, including giants Starbucks and McDonald's, have been testing and implementing mobile order and pay systems. Studies have shown that the system is rapidly increasing number of diners entering restaurants in the United States (Rittenhouse, 2017). It is a good way to increase the sales volume without putting a tremendous strain on the operations, as the order-taking aspect has been eliminated. Research shows that people who use technology are more likely to become repeat, loyal customers. When McDonald's launched its self-serve ordering kiosks, they found that people who used them were more inclined to return to McDonald's and use them again (Bomkamp, 2017). Lastly, the introduction of this technology will be crucial because in the modern day technology-dependent generation, mobile applications are no longer innovative, but a requirement in order to remain competitive (Mobile Ordering Now Used by Billions, 2017).

In order to minimize costs, the AMS should crowdsource the development of the application. UBC has a pool of brilliant computer science students who would be an excellent resource. In order to engage them in app development, the AMS should first emphasize the Nest as a student's place. The better it does, the better the student experience is. Then, they should hold an app development competition for students to enter, and then students can judge which app is the best choice for mobile ordering for restaurants in the Nest. This can easily be implemented by reaching out and creating partnerships with AMS clubs like UBC Computer Science Student Society. The AMS can also offer a prize, such as a party in the Pit or vouchers for food, in order to motivate people to enter, as well as for the experience. This process would involve the students in all aspects of the development, and incentivize them to use the application in the future.

This plan can also help the business of all the other storefronts in the Nest, because the application could be easily extrapolated to accommodate pre-ordering at all the other food establishments. Over time, a loyalty plan can also be launched, it will be easy to monitor given the platform is now set up.

# Triple Bottom Line

Social - Student engagement

Environmental - Waste management

Economic - Profit driven



What/where are we?

Where are we going?

How do we get there?

## Triple Bottom Line Approach:

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Recently, the AMS' strategic goal of sustainability has evolved to not only focus on environment and social impacts but also the economic impact (Sun,2014). While AMS is a non-for-profit entity, it is still important to achieve financial sustainability. This means the total cost of doing business must be less than or equal to the total revenues from these businesses. Extra profits can be used towards future projects such as community events or building improvements to help make the AMS nest even more sustainable than it is already is.

As a business under the AMS, The Pit and Flipside should operate with this in mind. Our recommendations follow the triple bottom line approach. If implemented accurately, the AMS can increase revenues and reduce costs for The Pit and Flipside while continuing to make positive environmental and social impacts.

Reducing the menu options and combining operations of The Pit and Flipside makes economic and environmental sense. For instance, using one kitchen instead of two kitchens mean less energy is being used. Having a simple menu with only the most popular items not only reduces cost as a result of economies of scale but it also reduces storage and preparation space. Furthermore, the learning curve for chefs is less steep so more orders can be accurately filled at a faster rate. Increasing capacity is a must since our goal is to increase revenues by more transactions while reducing from two kitchens to one kitchen.

The application development competition has a number of social benefits. Initially, it increases campus involvement and awareness of The Pit and Flipside. Thereafter, the application can be used to communicate information like promotional items and Happy Hour Menus. This and features like allowing people to order and pay before hand reduces peak hour wait times at Flipside by smoothing out demand throughout the day. This will eventually increase the service and quality of food since staff have more time to prepare the orders.

# Risks, Mitigation, Severity

Risk	Mitigation	Severity
Dislike of Menu Change	Slowly phase out item options Offer package/meal deals	Low
Brand confusion	Put up a lot of signs around The Nest and on campus	Medium
Capacity Issues	Use second kitchen	Medium
Bad application	Hype competition and raise awareness early on Provide an attractive prize for competitors Partnership with UBC to reach out to customers Leverage AMS clubs Clear outline of application requirements	High

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## Risks and Mitigation:

There are a number of risks we explored including customers disliking the change in menu offerings, capacity issues from reducing two kitchens to one kitchen, how people react to rebranding, and the effectiveness of the application.

### Change in Menu:

We believe the risk of people disliking the change in menu options has low severity implications. First, the items we are removing are non-popular items anyways. Only a small percentage of customers will be impacted. To mitigate this risk, slowly phase out the menu items by removing them from the menu but still offer it if a customer specifically asks.

### Brand Confusion

Since we are combining The Pit and Flipside menu offerings, customers might become confused with each brand. To alleviate this, put clear and concise signs around The Nest and UBC campus to ensure the Pit Night branding remains intact.

### Capacity:

Another risk we have identified are the capacity issues from combining operations and using only one kitchen instead of two. Combined with the anticipated increase in number of transaction, we see this having a medium severity. If ordering following is slow, it negatively impacts the values we provide to customers of efficient service. If it gets too busy, the second kitchen can be used even though it is not preferred.

### Low Review Application:

Last but not least, we believe that one of the greatest risks to the success of this project comes down to the application. As mentioned above, a seamless application will create value by reducing wait times and reaching customers. It is imperative to attract enough talented students to compete and create an effective application that can process online payments, keep user information safe, post notification, and is simple to use. It is key to leverage current relationship with AMS clubs, UBC communication channels, and clearly outlining to the competitors what the application is supposed to do.

# Implementation Timeline



What/where are we?

Where are we going?

How do we get there?

## Implementation Timeline:

**May - August 2017:** This period is Pit and Flipside’s “facelift” period: the menu will be improved and selectively reduced; the visible presence of both locations will be strengthened; employment information sessions and hiring fairs will be held to acquire a dedicated staff with positive attitudes.

**August 2017:** We chose to launch the marketing campaign a month prior to the beginning of the fall semester so that students have something to look forward to when they come back to class. Bars like The Bimini Public House have staged their success on capturing student interest at the beginning of the school year when their energy levels and attention spans are at their highest.

**September 2017:** This marks the unveiling of the computer-science-student-targeted competition to develop a smartphone app for a better interfacing between Pit & Flipside and the consumer.

**December 2017:** After a full semester, the best app will be decided on and implemented immediately, ready for the Winter semester. This is an optimal time to hold the first success review of their new strategy. This period will be characterized by the businesses going through their key metrics and comparing the numbers to expectations. The first review will dictate how much shift in focus will be necessary to progress. The decision to continue or abandon the current efforts will be most likely decided at this milestone.

**April 2018:** A second success review given the first one was deemed prospective.

**August 2018:** Final success review. If the business continues to show better numbers than last year, the changes were beneficial to the business.



# Balanced Scorecard - Objectives

## FINANCIAL

- Make reasonable profit in order to continue offering quality services to UBC students.

## INTERNAL BUSINESS PROCESSES

- Understand the synergies between Pit and Flipside and bridge gap for optimal efficiency.

## CUSTOMER

- Create an amicable atmosphere that is attractive to students.

## LEARNING & GROWTH

- Stay involved socially with students to meet demand.

What/where are we?

Where are we going?

How do we get there?

## Balanced Scorecard Part 1:

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The success of any properly functioning business comes from the ability to balance different key objectives. The balanced scorecard outlines areas of greatest importance for tracking the effectiveness of a business venture: finances, internal business processes, customer perspectives, learning & growth.

### For The Pit & Flipside:

Taking into consideration that the AMS's goal is not financial success, rather creating value for the general student population, there must be some improvement in their current financial position in order to offer incrementally better quality products and services to UBC students. In order to give back to the students, they will need to incur a healthy profit first.

Internally, the biggest faults from any separate businesses working together stems from a lack of chemistry. The complementary nature of the businesses will be a good indicator of how successful they will be in the long-run. Fortunately for AMS, The Pit and Flipside inversely excel in areas where the counterpart falls behind; The Pit has no actual food production and Flipside has poor atmosphere, whereas Flipside has a positively-reviewed food menu and The Pit's setting is a fantastic layout for any social gathering. Going forward, these two businesses will need a comprehensive understanding of how they complement each other in order to magnify the effect of cohesion between them.

Playing the most important role in the AMS objective mix is the customer satisfaction. A quality deliverance of value to students that is simultaneously enjoyable, wide spreading, and memorable, is difficult to pull off. Creating a strategy that fully encompasses the needs of the student would require focus on the atmosphere and how good the "Pit & Flipside" experience really is.

The final significant segment of The Pit and Flipside's objectives stems from their ability to learn from their current operational structure and grow their strategy into a bigger and better version of its former self. Being able to weigh out areas of improvement is a quality that will benefit the business in the short and long run.

# Balanced Scorecard - Measures



## Balanced Scorecard Part 2:

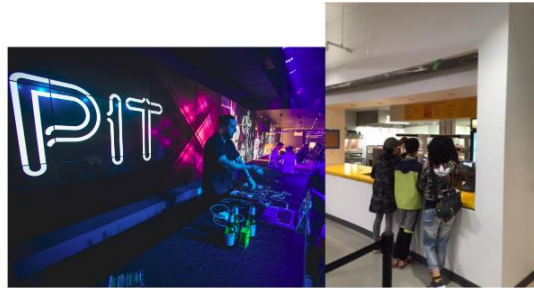
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Key Performance Indicators for the bar/restaurant industry:

1. Cash Flow: A standard unit of measurement to gauge success in the bar industry. More cash on hand means more ability to tip out bartenders, purchase supplies, and re-invest in operations. Basic accounting principles can be applied in tracking cash flow of the business.
2. Percentage of repeat customers: How much of the business we are currently experiencing are we going to receive again? This info helps us track the effectiveness of our marketing. If it is increasing, the marketing tactic is working. If this figure is static, the marketing tactic benefit has depleted or was rendered ineffective. If this figure is decreasing, the company's marketing may be having an adverse effect on the business or there is an emergence of new competitors. Keeping a close eye on the target demographics: food seeker, sports fan, and socialite, would help mold any future initiatives accordingly.
3. Staff turnover: It is natural in the bar industry for staff to leave to move on to bigger and better things. Moreso, since the hired staff demographic is all students. However, anything less than 3 month terms per employee can be cause for concern. A high level of staff turnover means that there is job dissatisfaction. An unhappy staff is harmful to the customer experience as well. This is the **service** industry - if the person pouring your drinks isn't happy, there is a greater chance of leaving a customer with a bad impression of the business.

# Conclusion

- Pit & Flipside because of location & offer awareness
- More competition = More problems
- Technology is the future!
- Use the brand!



What/where are we?

Where are we going?

How do we get there?

## Closing Remarks:

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The Pit and Flipside are in a slight predicament. With the recent decision to become open during the day, they have to compete in a field where they are unfamiliar. Even though they have positioned themselves as UBC's renowned Wednesday nightclub, expanding operations into a daytime atmosphere will be a challenge. This difficulty is augmented through the emergence of new competitors across the UBC campus. They will need a very familiar and desirable image in order to make enough profit to consider the venture a success. While optimistic, this goal is very achievable. Through the strategic use of partnership between The Pit and Flipside, the businesses can build off one another's strengths to optimize both's performances. Proper marketing, technological advancement, and consumer understanding are the keys to success for these businesses. Maintaining a forward vision while taking note of past mistakes is quintessential to their success. The Pit's brand is something dear to the hearts of many UBC students and we believe its image can be stretched to any extent without losing any of their loyalty.

# Appendix A: Business Model Canvas - The Pit

<h2>The Business Model Canvas</h2>		<p><i>Team or Company Name:</i> The Pit</p>	<p><i>Date:</i> March 27, 2017</p>	
		<p><b>Key Partners</b> Who are our Key Partners? Who are our Key Suppliers? Which Key Resources are we acquiring from partners? Which Key Activities do partners perform?</p> <ul style="list-style-type: none"> <li>AMS and UBC</li> <li>Local DJ's (Pit Night)</li> <li>Local grocery stores</li> </ul>	<p><b>Key Activities</b> What Key Activities do our Value Propositions require? Our Distribution Channels? Customer Relationships? Revenue streams?</p> <ul style="list-style-type: none"> <li>Processing transactions</li> <li>Pouring drinks</li> </ul>	<p><b>Value Proposition</b> What value do we deliver to the customer? Which one of our customer's problems are we helping to solve? What bundles of products and services are we offering to each Customer Segment? Which customer needs are we satisfying?</p> <ul style="list-style-type: none"> <li>Lounge/Casual atmosphere for hanging out with friends or meeting new people</li> <li>Sharing feelings when sports games are on</li> <li>Place to relax with friends</li> <li>Place for entertainment and have fun</li> <li>Pit Night</li> <li>Showing sports games</li> </ul>
<p><b>Key Resources</b> What Key Resources do our Value Propositions require? Our Distribution Channels? Customer Relationships? Revenue Streams?</p> <ul style="list-style-type: none"> <li>Local craft beer</li> <li>Raw material to make food</li> <li>Alcohol</li> </ul>		<p><b>Channels</b> Through which Channels do our Customer Segments want to be reached? How are we reaching them now? How are our Channels integrated? Which ones work best? Which ones are most cost-efficient? How are we integrating them with customer routines?</p> <ul style="list-style-type: none"> <li>Word of mouth</li> <li>Campus signs</li> </ul>		
<p><b>Cost Structure</b> What are the most important costs inherent in our business model? Which Key Resources are most expensive? Which Key Activities are most expensive? <b>Operating costs:</b></p> <ul style="list-style-type: none"> <li>Staffing</li> <li>Raw materials (cost of goods sold)</li> <li>Utility (Overhead)</li> </ul>			<p><b>Revenue Streams</b> For what value are our customers really willing to pay? For what do they currently pay? How are they currently paying? How would they prefer to pay? How much does each Revenue Stream contribute to overall revenues?</p> <ul style="list-style-type: none"> <li>Food and drinks</li> <li>Cash, credit card, UBC card</li> </ul>	

# Appendix B: Business Model Canvas - Flipside

<b>The Business Model Canvas</b>		<i>Team or Company Name:</i> Flipside	<i>Date:</i> March 27, 2017	
<p><b>Key Partners</b> Who are our Key Partners? Who are our Key Suppliers? Which Key Resources are we acquiring from partners? Which Key Activities do partners perform?</p> <ul style="list-style-type: none"> <li>• UBC AMS</li> <li>• Raw materials suppliers such as grocery stores</li> </ul>	<p><b>Key Activities</b> What Key Activities do our Value Propositions require? Our Distribution Channels? Customer Relationships? Revenue streams?</p> <ul style="list-style-type: none"> <li>• Making burgers</li> <li>• Processing transactions</li> </ul>	<p><b>Value Proposition</b> What value do we deliver to the customer? Which one of our customer's problems are we helping to solve? What bundles of products and services are we offering to each Customer Segment? Which customer needs are we satisfying?</p> <ul style="list-style-type: none"> <li>• Fast food</li> </ul>	<p><b>Customer Relationships</b> What type of relationship does each of our Customer Segments expect us to establish and maintain with them? Which ones have we established? How are they integrated with the rest of our business model? How costly are they?</p> <ul style="list-style-type: none"> <li>• Repeat, loyal</li> <li>• One time</li> </ul>	<p><b>Customer Segments</b> For whom are we creating value? Who are our most important customers?</p> <ul style="list-style-type: none"> <li>• University student on UBC campus</li> <li>• Food seeker</li> </ul>
	<p><b>Key Resources</b> What Key Resources do our Value Propositions require? Our Distribution Channels? Customer Relationships? Revenue Streams?</p> <ul style="list-style-type: none"> <li>• Raw material to make food</li> </ul>		<p><b>Channels</b> Through which Channels do our Customer Segments want to be reached? How are we reaching them now? How are our Channels integrated? Which ones work best? Which ones are most cost-efficient? How are we integrating them with customer routines?</p> <ul style="list-style-type: none"> <li>• Word of mouth</li> <li>• Campus signs</li> </ul>	
<p><b>Cost Structure</b> What are the most important costs inherent in our business model? Which Key Resources are most expensive? Which Key Activities are most expensive?</p> <p><b>Operating costs:</b></p> <ul style="list-style-type: none"> <li>• Staffing</li> <li>• Raw materials (cost of goods sold)</li> <li>• Utility (Overhead)</li> </ul>		<p><b>Revenue Streams</b> For what value are our customers really willing to pay? For what do they currently pay? How are they currently paying? How would they prefer to pay? How much does each Revenue Stream contribute to overall revenues?</p> <ul style="list-style-type: none"> <li>• Food and drinks</li> <li>• Cash, credit card, UBC card</li> </ul>		



# Appendix C: Business Model Canvas - Amalgamation of The Pit & Flipside

<b>The Business Model Canvas</b>		<i>Team or Company Name:</i> Flipside	<i>Date:</i> March 27, 2017	
<b>Key Partners</b> Who are our Key Partners? Who are our Key Suppliers? Which Key Resources are we acquiring from partners? Which Key Activities do partners perform? <ul style="list-style-type: none"> <li>• UBC AMS</li> <li>• Raw materials suppliers such as grocery stores</li> <li>• Local DJ's (Pit Night)</li> </ul>	<b>Key Activities</b> What Key Activities do our Value Propositions require? Our Distribution Channels? Customer Relationships? Revenue streams? <ul style="list-style-type: none"> <li>• Making burgers</li> <li>• Processing transactions</li> </ul>	<b>Value Proposition</b> What value do we deliver to the customer? Which one of our customer's problems are we helping to solve? What bundles of products and services are we offering to each Customer Segment? Which customer needs are we satisfying? <ul style="list-style-type: none"> <li>• Fast food</li> <li>• Lounge/Casual atmosphere for hanging out with friends or meeting new people</li> <li>• Sharing feelings when sports games are on</li> <li>• Place to relax with friends</li> <li>• Place for entertainment and have fun</li> <li>• Pit Night</li> <li>• Showing sports games</li> <li>• Promotions</li> <li>• Fast service</li> </ul>	<b>Customer Relationships</b> What type of relationship does each of our Customer Segments expect us to establish and maintain with them? Which ones have we established? How are they integrated with the rest of our business model? How costly are they? <ul style="list-style-type: none"> <li>• Repeat, loyal</li> <li>• One time</li> </ul>	<b>Customer Segments</b> For whom are we creating value? Who are our most important customers? <ul style="list-style-type: none"> <li>• University student on UBC campus</li> <li>• Food seeker</li> <li>• Socialite</li> <li>• Sports fan</li> </ul>
	<b>Key Resources</b> What Key Resources do our Value Propositions require? Our Distribution Channels? Customer Relationships? Revenue Streams? <ul style="list-style-type: none"> <li>• Raw material to make food</li> <li>• Local craft beer</li> <li>• Alcohol</li> </ul>		<b>Channels</b> Through which Channels do our Customer Segments want to be reached? How are we reaching them now? How are our Channels integrated? Which ones work best? Which ones are most cost-efficient? How are we integrating them with customer routines? <ul style="list-style-type: none"> <li>• Word of mouth</li> <li>• Campus signs</li> <li>• Application</li> </ul>	
<b>Cost Structure</b> What are the most important costs inherent in our business model? Which Key Resources are most expensive? Which Key Activities are most expensive? <b>Operating costs:</b> <ul style="list-style-type: none"> <li>• Staffing</li> <li>• Raw materials (cost of goods sold)</li> <li>• Utility (Overhead)</li> </ul>		<b>Revenue Streams</b> For what value are our customers really willing to pay? For what do they currently pay? How are they currently paying? How would they prefer to pay? How much does each Revenue Stream contribute to overall revenues? <ul style="list-style-type: none"> <li>• Food and drinks</li> <li>• Cash, credit card, UBC card</li> <li>• Online payments through application</li> </ul>		

## Appendix D: Balanced Scorecard Post-Amalgamation

	Financial	Customer	Internal Processes	Learning & Growth
OBJECTIVES	- Make reasonable profit in order to continue offering quality services to UBC students.	- Create an amicable atmosphere that is attractive to students.	- Understand the synergies between Pit and Flipside and bridge gap for optimal efficiency.	- Stay involved socially with students to meet demand.
MEASURES	- Cash Flow - Breakeven - Profits	- % Repeat Customers - Customer Feedback	- Staff Turnover - Cash Flow	- Staff Turnover - % Repeat Customers - Customer Feedback
INITIATIVES	- Rebrand - Marketing - Menu Vamping - Phone App	- Rebranding - Marketing - Menu Vamping - Phone App	- Menu Vamping - Phone App	- Rebranding - Marketing - Menu Vamping - Phone App

# Appendix E: Survey Results

How satisfied are you with FLIPSIDE? [Overall Experience]	How satisfied are you with FLIPSIDE? [Food ]	How satisfied are you with FLIPSIDE? [Customer Service]	How satisfied are you with FLIPSIDE? [Speed of Service]	How satisfied are you with FLIPSIDE? [Location]	How satisfied are you with FLIPSIDE? [Cleanliness]	How satisfied are you with THE PIT [Overall Experience]	How satisfied are you with THE PIT [Food ]	How satisfied are you with THE PIT [Customer Service]	How satisfied are you with THE PIT [Speed of Service]	How satisfied are you with THE PIT [Location]	How satisfied are you with THE PIT [Cleanliness]	Any additional comments or feedback regarding FLIPSIDE or THE PIT?
4	5	1	2	1	2	N/A	N/A	N/A	N/A	N/A	N/A	
3	4	4	2	4	3	3	2	3	3	5	3	
4	4	4	2	4	4	4	5	5	5	4	5	
4	5	4	3	4	4	N/A	N/A	N/A	N/A	N/A	N/A	
4	2	3	3	4	4	N/A	N/A	N/A	N/A	N/A	N/A	# one motivation of not going there is the taste of the food.
3	2	4	1	3	3	4	1	5	5	5	4	
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	Maybe they need to change their target audience
4	2	2	2	2	2	4	1	5	4	4	5	
4	4	3	1	3	2	4	2	5	5	5	5	
N/A	N/A	N/A	N/A	N/A	N/A	5	5	4	5	2	4	
4	5	2	5	2	3	N/A	N/A	N/A	N/A	N/A	N/A	
5	5	3	1	5	5	4	2	5	5	5	4	
4	5	5	4	2	4	N/A	N/A	N/A	N/A	N/A	N/A	
N/A	N/A	N/A	N/A	N/A	N/A	4	3	2	2	2	4	Lines too long.
5	5	4	2	5	5	4	3	5	5	4	5	
N/A	N/A	N/A	N/A	N/A	N/A	5	4	4	4	5	3	I've never heard of Flipside
3	4	2	1	1	2	N/A	N/A	N/A	N/A	N/A	N/A	I've heard of Pit Nights but was never tempted enough to go.
N/A	N/A	N/A	N/A	N/A	N/A	5	4	5	5	3	4	Is Flipside like the new burger bar?
2	4	1	2	4	4	N/A	N/A	N/A	N/A	N/A	N/A	Flipside - the food quality couldn't make up for the poor service.