

Case Study: Món Huế Restaurant Chain – From Rapid Growth to Widespread Closure

Món Huế was a restaurant chain operated by Huy Vietnam Food Processing Co., Ltd., which was established in 2006. Over time, the company expanded into a network of more than 200 restaurants nationwide under several brands, including Món Huế, Phở Ông Hùng, Great Bánh Mì & Cafe, Phở 99, Mì Quảng Bếp Tâm, Shilla, Iki, and Captain Lobster. The company once aimed to become one of Vietnam's major food-processing and self-supplied restaurant businesses, while also planning to expand into markets such as Japan, South Korea, Singapore, Hong Kong, China, Malaysia, and the Philippines. Chuỗi Món Huế-pdf

Món Huế developed strongly in major urban markets. In Hanoi, the chain operated many outlets in densely populated and high-spending areas. In Ho Chi Minh City, Huy Vietnam maintained its headquarters and managed a large network of suppliers, employees, and business operations. Món Huế focused on dishes associated with Hue cuisine, presented through a modern restaurant format targeting urban customers.

The period from 2016 to 2017 was considered a strong phase for the chain. According to a former employee who worked at a Món Huế restaurant in Hanoi, the restaurants were busy, the food was considered quite good, employee training was systematic, and promotional programmes were frequently offered. Some outlets reportedly generated monthly revenues of around VND 700–800 million. Several “hot” locations, such as Xã Đàn, Láng Hạ, and Phố Huế, were said to have generated daily profits of around VND 20–25 million at their peak. Chuỗi Món Huế-pdf

After this period of strong performance, the company continued opening more outlets. In Hanoi, some areas had a particularly high concentration of Món Huế restaurants. Around the Trần Duy Hưng area alone, outlets were located at Big C Thăng Long, Vincom Trần Duy Hưng, 67 Trần Duy Hưng, and N04 Hoàng Đạo Thúy. Further towards the city centre, there were additional outlets at 12 Huỳnh Thúc Kháng, 3 Láng Hạ, 105 Thái Hà, and 203 Nguyễn Huy Tưởng. A former employee described the outlets during this period as “springing up like mushrooms.” Chuỗi Món Huế-pdf

As the number of outlets increased, some problems with food quality and service began to appear. Món Huế relied on a central-kitchen system. Food was prepared centrally, frozen, transported to branches, stored in freezers, defrosted, reheated, plated, and then served to customers. According to a former manager, if the quality of food from the central kitchen was not maintained, the quality at multiple branches could also be affected. Chuỗi Món Huế-pdf

Some customers also began to complain about their restaurant experience. One comment suggested that prices were relatively high for dishes that were traditionally considered affordable, while the main visible difference was the more upscale restaurant setting. Other

complaints referred to slow service, missed orders, and inconsistent food quality. Chuỗi Món Huế-pdf

By early 2018, business performance at many outlets had changed significantly. Locations that had previously performed well were reportedly generating only around VND 7–8 million in daily revenue. Some weaker outlets were earning only around VND 2–3 million per day. At the same time, rental costs remained high, commonly around VND 30–40 million per month, with some locations costing several hundred million dong per month. Chuỗi Món Huế-pdf

Financial pressure subsequently became increasingly visible. According to preliminary information from 28 suppliers, Món Huế owed them a total of tens of billions of dong. One ice supplier was owed several million dong, a lime supplier was owed more than VND 24 million, while some suppliers of vegetables, pork, and beef were owed amounts reaching several billion dong. Many suppliers gathered at the company's headquarters in Ho Chi Minh City to demand payment. Chuỗi Món Huế-pdf

Eventually, many Món Huế outlets in Hanoi and other locations ceased operations. The company faced difficulties paying not only its suppliers but also employees' salaries. A brand that had once attracted large numbers of customers, generated strong revenues, and pursued ambitious international expansion ultimately experienced widespread closures and severe financial difficulties. Chuỗi Món Huế-pdf Chuỗi Món Huế-pdf

Discussion Questions

1. What were the main causes of Món Huế's decline and failure? Which cause do you think was the most important?
2. How might Món Huế have assessed customer demand before opening so many additional outlets?
3. Before continuing its expansion, how should Món Huế have conducted a feasibility analysis in terms of **Product/Service Feasibility, Industry/Target Market Feasibility, Organizational Feasibility, and Financial Feasibility**?
4. If the company had conducted a more comprehensive feasibility analysis, do you think it would have expanded at the same scale and speed? Why or why not?
5. If you had been a manager at Món Huế before the rapid expansion, how would you have adjusted the company's expansion strategy?