

Pilot case study

Business



They had come up against stiff competition from other sportswear manufacturers in India and Japan. Or secure the order, Pilot had to promise delivery of the first batch of newly designed golf wear within six weeks and bulk order shipments of 10, 000 pullovers every two months.

The created a problem. At maximum production, Pilot could only manufacture and meet these order requirements by dropping 80% of its ongoing business. It also meant that three new computer controlled manufacturing machines and a new computer aided design system would be put to work to come up with the ewe style and design to manufacture the sweaters.

These had been recently purchased at great expense. The problem was who would operate the machinery and design systems to meet the order requirements, and what to do with Pillion's current Northland. Still, it had been a good trip and Samara had the weekend to plan the future development of the company.

Sundae Rakish, Production Director at Pillow, was called into the Board meeting on the Monday morning. " Its like this, Sundae", said Samara. " We need the new designs in a matter of weeks and they have to be computer generated to fit straight into our ewe machinery.

Our people haven't been trained on them yet so we will have to subcontract this to some freelance designers who specialize in this field. They will do the design for us and we should be able to meet the six-week deadline with some Sundae paused.

” So who is going to actually make all these lovely new golf sweaters then, and who will tell Tina and Co. That we can’t provide them with any knitwear for the next nine months? You can’t just tell the design shop that they are surplus to requirements for the next couple of weeks, and then tell Tina that we are sorry but hey will have to wait.

That’s not how we do business, isn’t it? Samara’s reply was succinct and to the point ” t. Sundae, this is a new millennium. If this company is going to survive it has to become an international concern. Sure, rainy is a big contract for us but we will deal with that problem, when it arises.

As for the designers, I am going to have a meeting with all operating staff this afternoon and let them have the good news. ” Nor stopped at Pilot at 4.30 p. M that day. Samara Seth’ accompanied by Mar Koala and Sundae Rakish, addressed the staff at the company cafeteria.

Samara started off in ebullient mood. Well, the situation facing us is one that I am sure other companies would like to be in. I am sure you are aware by now that we have managed to win the biggest order in this company’s short history, with the Japanese golf company, Oakum. This assures our futures and means that jobs are secure. However, it does put us under a bit of pressure.

To this end I have made arrangements with an outside design and production team to join us temporarily to design and manufacture the Oakum sweaters on our new equipment. This should allow the rest of you to carry on with your normal duties, allowing us to meet the tight deadlines Oakum have set.

The outside team will be independent and will gradually bring in our own staff on design and production matters when they feel that the time to pass on the contract is right. Or me, it's the best of both the worlds, and with a little bit of a squeeze we can do the Oakum work and still satisfy the need of our other customers. There are good times ahead, lots of hard work, but I am sure you will agree with me that it will be worth the struggle in the end? "

Samara's comments were met initially with stunned silence. However, it did not take long for murmuring to begin.

The first comments came from one of the designers: ' Are you saying that we aren't good enough to do the design for the new sweaters? " Feb., and we can't handle the new machinery so we will buy in some smart Aleck from outside, is that it? " the meeting soon deteriorated into a slinging match from the floor, with comments such as, " We're only good for the simple stuff', Who are these outsiders anyway? ", and Don't you trust us to be able to deliver this for you? As the meeting finally began to get out of hand, Samara turned to the assembled group ND said, " Who do you people think you are?

We bring in the biggest order we've ever had and all you can think about is yourselves. Obviously we will have to get this situation resolved before we go anywhere. " However, on his way out of the cafeteria he turned to Sundae. " These abolish lots need a good sorting out. Come and see me tomorrow morning first thing and we will get to the bottom of this.

” Questions: 1. Was Samara Seth’ wrong? How should he have approached the situation? 2. What advice will you give to Sundae before the Tuesday morning meeting? 3. How should Pilot try to recover the situation?