

Cottrill case study

Business



The Columbus plant had been operating for over 20 years and employed more than 100 people. Cocktail's purchasing department had to ensure that the plant ran efficiently and was responsible for replenishing a variety of supplies at the plant, ranging from chemicals to communications equipment.

A current initiative for Cottrell, and particularly for the purchasing department, was reducing the level of working capital. This had been a focus in the purchasing department for over two years, and the departmental target was an annual decrease of \$300, 000.

The majority of Cottrell products were manufactured wrought a continuous flow process. Therefore, downtime at the Columbus plant was extremely costly and was estimated at \$200, 000 per hour. In an attempt to Meltzer plant downtime, management implemented an automated software program and an electronic pager system 12 years ago. The software program, called Production Messaging, monitored Cocktail's equipment.

The plant had a total of 20 pagers, and this number included a variety of different models. **SPECIFIC PROBLEM:** Several recent events had caused Judy to become dissatisfied with the current arrangement with Talent.

In June, Judy contacted Talent with a routine request to replace a broken pager. Judy was dissatisfied with Talent's service, feeling that she spent too much time on the phone arranging the order and it took Talent over a month to send out the replacement pager. Judy contacted Talent again In September to replace another pager. She was informed that Talent no longer carried this model and that the option of renting the pager hardware would be discontinued In the near future.

Judy ordered a comparable product, valued at approximately \$1 50, but felt a little unsettled by the new information.

Judy can decide to switch to Sexton. 2- She can remain with Talent. 3- She can call an urgent meeting with Talent and discuss with them the issues she has with them and ask them to improve their service and also to continue the option of renting pager hardware. 4-The monthly fee for Sexton is \$279.

Judy can think of having Sexton wireless for one month testing period before terminating the contract with Talent. So the fear of having the same issue to happen again like at trial time can be minimized.

In the meantime, she can also search for other wireless system options which may be better than both Talent and Sexton. – Sexton will reduce the cost up to \$5244 per year than Talent. This is very important for Costlier as they are trying to reduce their working capital. Sexton will also provide a direct sales representative in case any issue arises; it will save time and will be more important in case of emergency.

2- Talent has established reputation in the area of in-plant wireless messaging system and are working with

Cottrell for 12 years. They have much more experience, so are more reliable than sexton. CONCLUSION: Sexton Talent Cost Low High Service Best Not very good Functionality Not certain Certain Reputation Not established established Experience Less more I would recommend Judy to go for alternative 4. Sexton is lower in cost and better in service than Talent. By spending \$279 she can make sure if Sexton is fulfilling all the requirements

of Costlier. It will also give her time to compare functionality and reliability of both systems.