

The rise of copanhagen



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Riordan manufacturing creates innovative plastic designs that have earned international acclaim. Attention to detail, extreme precision and enthusiastic quality control are the hallmarks of Riordan Manufacturing. Riordan has facilities in San Jose, California, Albany, Georgia, Pontiac, Michigan and Hangzhou, China, and has the capacity to fulfill unique needs. The company is wholly owned by Riordan Industries, a Fortune 1000 enterprise with revenues in excess of \$1 billion (Riordan Manufacturing, 2008). Riordan Manufacturing is focused on achieving and maintaining reasonable profitability to assure that the financial and human capital is available for sustained growth. To maintain this profitability and achieve the required growth, the company must continue to streamline operations and stay up-to-date with current technologies.

This includes e-business solutions for not only customers but its suppliers as well. Furthermore, the Riordan??™s website will be described briefly and it will also be compared with website of Huffman Trucking and Kudler Fine Foods. Kudler Fine Foods WebsiteThe Kudler Fine Food website is full of information in related to its business and products. The Kudler Fine Food website has several web pages. They are home, bakery, meat & seafood, produce, cheese, and wine. For each webpage, it has information about product offering. The information presented is in fairly simple which can be

easily understood by its customers. On the other hand, the website does not offer product for sale.

The website is strictly for information purpose. Huffman Trucking Website
The Huffman Trucking website was little different than Kudler's Fine Food's website. The Huffman Trucking website has many web pages. They are home, our company, facts, your accounts, tracking, employment, and contact us. The website had pictures that were consistence with it logistic business. The website also had logo and followed blue company color.

The web page 'Your Account' also offers it customer access to information that is exclusive base on customer. The Huffman utilize e-business in way that provides tracking information to its customers. The Huffman website was effective and follows e-business's principles.

Riordan's Manufacturing Website
The Riordan's website was simple. It consists of only one webpage. Compare to other websites, the Riordan's website does not have some of the standard webpage such as location, contacts, about us, and home. The Riordan web page consists of brief description of company's information in center of the webpage. On the top left hand corner it has Riordan's logo. On the right hand side column it had two pictures and right below, it had brief list of products the company manufactures.

It was pretty obvious that the Riordan's website need some work. Riordan Manufacturing MRP System
Riordan manufacturing products include plastic beverage containers produced at its plant in Albany, Georgia, custom plastic parts produced at its plant in Pontiac, Michigan, and plastic fan parts

produced at its facilities in Hang Zhou, China. The company's research and development is done at the corporate headquarters in San Jose, California. The company has a program in effect for inventory management and control that outlines specific steps to be followed by all plants in respect to receiving, manufacturing with inventory, and final product shipping. This inventory management control process seems to be a workable concept on paper; however each location is using a variation of this control as each location has different factors that play into the specific operation.

An example would be that the Albany location keeps a contingency stock of certain raw materials for quick delivery if needed, while the China location produces the end product, and stocks the product until it is sold. In addition to the cost and problems associated with stocking and storing material and products, the locations are also having issues with receiving raw materials on time from their vendors. The MRP system's standard elements are focused on raw materials purchasing and inventory, bills of materials, production scheduling, warehousing, shipping, and payroll.

An effective MRP system put into place could save the company the shelving and storing costs associated with the stocking of raw materials and with the storing of finished products, while improve the deliveries from vendors, and improving overall efficiency while reducing production costs. Riordan's Current ProcessThe Riordan Manufacturing facilities are being driven by the customer to operate as required by the customer's demand. The current process is appropriate for the customer's requirements; however, in order to reduce the inventory costs of the plants, the current processes must be changed. The China plant currently purchases fan motors and plastic

polymers from local suppliers; the polymers are then melted down and injected into molds for individual fan parts; the fan motors and fan parts are then assembled and packaged for stock.

The first problem with the China facility is the method in which the forecasting is done for fans. One section of the plant is building a standard product for general distribution and forecasting for these products is based on a three-year average, while another section of the plant is building customized electric fans based on customer negotiated quantities. Albany, Georgia has another process for custom bottle making and the facility must keep raw materials and finished product in stock for quick deliveries. The plant is required to keep an abnormally large safety stock in supply as to avoid any possible contract penalty clauses. Pontiac, Michigan and San Jose, California also keep stock of raw materials for part designs and creating working models for research and development; however with the small order requirements that are required for these sights the amount of raw material??
™s in stock is excessive for the production runs. Albany, Georgia

LocationThe Albany, Georgia facility manufacturers both standard and customer unique bottles based on yearly contracts negotiated with the customers. The customer then places the yearly blanket order and submits the release of orders thorough out the year to Riordan.

The problem with this is that Riordan Manufacturing has to keep a rather large amount of stock, not only for raw material but also for the finish product to meet the customer??™s unanticipated demand. This increases inventory and costs associated with the process. However, if Riordan were to

request a monthly or quarterly forecast from the customer, the level of raw material and finished product inventory would be reduced.

The MRP system would use both the yearly blanket orders and quarterly forecast to maintain the inventory. The forecast would be entered into the MRP system which would analyze the data provided by customers and ensure that a safety stock is maintained to meet the demands. This will streamline the cost, improve production time, improve delivery and make the Supply Chain Management far more effective. Hang Zhou Location
The Hang Zhou manufacturing facility has a make to stock operation and a custom operation.

Each of these operations is acting independent from the other in terms of raw goods purchasing, inventory control, stocking and finished goods storing or dispersing. The recent three-year average for fans is used in forecasting the necessary stock required for the year. The forecast theory is that history will repeat itself.

The make to stock operation is purchasing fan motors from only one supplier, and a good MRP should have as minimum two or three suppliers for planning and inventory control. The customized fan product operation provides custom fan products for customers. The custom fans will start as a pilot run to develop the fan design and estimate production cost.

Once the fan is developed and costs are assigned, the customer will place yearly contracts in which they will call for varying quantities of fans throughout the year. In order to make delivery for the varying quantities the operation maintains a larger than optimal inventory and stock of raw

material. A MRP system that is properly designed and implemented could save both of the China operations money in inventory and raw material cost while increasing production efficiency and reducing product lead-time.

Michigan LocationThe Pontiac, Michigan facility operates as a custom-build shop and keeps a large amount of raw materials on supply for quick build of the custom plastic parts.

A large amount of dye is required at this facility for the custom part colors as required by customer specifications. In order to decrease the amount or cost of raw materials the facility must develop a quarterly forecast from customers to properly prepare for orders with short delivery requirements.

San Jose, California LocationThe San Jose, California facility has a Research and Development department. The Research and Development department consists of five product development personnel whose job is research, development, and innovation. Since new product development efforts require only a small amount of raw materials and components, there is no need to keep inventory nor do they have any supply chain management problem similar to the other faciliti