

Order-winners and
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Order-winners and order qualifiers and its use in the establishment of the relative importance of certain performance objectives. Order winner and order qualifier are criteria defined by managers within their operation strategy plan to gain competitive advantage in the market. These terminologies were first introduced by Professor Terry Hill, at The London business school (Encyclopedia of Business, 2nd Ed.) and ever since it's been used as a measuring tool to assure managers about their product acceptability by the customers. The success of a company depends greatly on Order-winner factor (Slack, Lewis 2008).

It is the most important factor that drives customers to purchase a product or service from a company. When planning the competitive strategies the Order-winning factor should be at the top of priority list, because in the long run it will benefit the company with an increase in business, provided that higher performances on this factor is achieved. Although order qualifier is not as important as order-winner factor but it plays also an important role as it is used as a " bait" to draw customer's attention to product or service.

Slack, Lewis (2008) states that companies must " be above a particular level" of operation's performances to draw customer's attention, but the performance of order-winning factor is what is going to influence the customer's decision towards a product or service. Transporting this idea into ocean shipping companies, for a vessel to be considered by chartering companies for loading cargo it must meet certain criteria such as trading pattern, certification of both the vessel and its crew and compliance with local and international regulations, which in this case is the qualifying factor.

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On the other end, for a vessel to be accepted or win a business the company must prove through its recording keeping both ashore and onboard that it's fit to carry the cargo safely and make delivery on the agreed schedule. Such records would include previous cargo carried, condition of the vessel and its equipment, experience of the crew onboard, record of accidents if any, and also a record of inspections at various terminals around the world.

In order to achieve this competitive advantage and win business, the performances of order-winning factors in this case should be raised, i. e. priority should be given on crew training, inculcate a safety culture onboard and in ship maintenance. Another aspect that managers must also focus their attention on when considering the performance objectives of these factors is the market change, sustainability and product/service life cycle.

As stated by Slack, Lewis (2008) " the relative importance of performance objectives changes over time". As new products are been launched into the market it's a matter of time for competitors to imitate and in a short period of time launch a product with the same characteristics. In this instance what was once an order-winner will become an order-qualifier, and trade-off of performance objectives will take place. Take for example the computer industry; Most computers in the market today offers the same specifications.

What makes companies win competitive advantage in this field is perhaps the price and quality, and some companies even go further by providing customers with added-value for their products/services, be it in product replacement in case of factory defects, maintenance or customer care

service. References Encyclopedia of Business 2nd ed. , Reference for <https://assignbuster.com/order-winners-and-order-qualifiers-and-its-use-in-the-establishment-of-the-relative-importance-of-certain-performance-objectives/>

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