

Wald press case analysis essay

[Life, Relationships](#)



Executive Summary: Profit of Wald press is proportional to that of Campbell Brother's.

But during recession work given by Campbell Brothers reduce. This created troubles for Wald Press in terms of workers satisfaction and profit. Wald Press thus got outside contract for more work. After recession, sales of Campbell Brothers increased greatly.

Hence, Campbell Brothers started pressurising Wald Press for dropping outside contracts to get their work done. Thus, the optimal solution for maintaining reputation and goodwill with both the Campbell Brothers and the outside contractors is by reducing outside contract and not dropping it completely. Word Count: 96 Situation Analysis:

- Campbell brothers have been the major source of revenue for Wald press.
- During the depression of thirties sales of Campbell drop. This made Wald press to work below reasonable output level and also decrease its reliability on Campbell.
- Wald press then approached other contractors for work since decreased work caused skilled workers of Wald press to leave job.
- Wald press had assured outside contractors to get work that their work would not be abandoned in future even if Wald press got work from Campbell brothers in future. Again in forties, Campbell sales increase but they could not find alternative printer for their increase work.

Hence they started pressurising Wald press to drop outside contract for them. This put Wald Press's manager into dilemma of dropping the outside contract or not.

- Campbell also assured by Wald press for providing enough work for 2-2.5 years.

- Wald press was getting little or no profit from outside contractors.

Production cost was also high on outside books. Its actual profit came from Campbell Brother.

Also it could not find other printers for outsourcing outside contract. Plant capacity could not be increased immediately. • Inventory costs on outside contracts were high as books were not shipped until requested. • The overhead cost was distributed proportionately between Campbell brothers and outside contractors.

- Outside books as compared to Campbell’s books were easier to produce, less production difficulties and took 15% less time to produce. • If Wald press drops outside contract then it would loose its reputation and goodwill in market. The publishing house had good reputation and excellent financial conditions. Problem Definition: Wald press cannot afford to loose relations with Campbell Brothers as they are then main profit earners. Outside contractors gave work during recession. Campbell brothers had been pressurising them to discontinue outside contract.

This created dilemma for them as they could not loose outside contract as they were reliable nor they could say no to Campbell Brothers. Decision Criteria and Evaluation of Alternatives: Decision Criteria | Evaluation of Alternatives based on decision criteria | | Drop Contract | Keep Contract | Keep critical contract and phase out others | Night Shift | | | | gradually | | | Profit level | High | Low | Medium | May increase | | Reliability | Low | High | High | Constant | |(in terms of market | | | | | conditions) | | | | | Reputation | Decrease | May increase | Remain same | May increase | | Relationship with

| Improve greatly | Reduce | Improve | Improve | | Campbell brothers | | | | |
Probability of getting| Low | High | Medium | Constant | | outside contracts | |
| | | | again | | | | | Optimal Solution: Thus the best alternative for Wald Press
is to provide additional facilities to Campbell Press by reducing but not
eliminating outside contracts. Wald Press should evaluate which outside
contracts are critical and ensure that it maintains these relationships. Wald
press should phase out other contracts gradually as this would minimize
impact on reputation and goodwill. Implementation: Wald press should
analyze critical and not critical outside contracts. • Reduce work from non-
critical contracts gradually by giving excuses like “ already overloaded with
work”, “ cost of printing has increase” etc.

- Slowly completing outside work as they need to be kept in inventory
thereby reducing inventory cost. • Occasional night shift for outside work
when a lot of outside work gets accumulated as it requires less skilled
worker. • Optimize use of resources.
- Search for seconds printing equipment for sale or a printing press for
acquisition itself. • For long term planning, order new machinery and search
printers for outsourcing of outside contract. Word count: 571