Jordan steel company case study essay

Art & Culture, Music

Jordan steel company JSC JSC's mission Our mission is to provide our clients quality products. Moreover, we want to be the leading U. S steel manufacturer company. We concentrate on high quality, high carbon, and high margin steel wire. We also pioneer new types of wire. We promise to maintain our reputation for high quality products.

Production function mission: We promise to maintain the quality of our in house design/construction of our own equipment and to produce high quality standards for our products to exceed our customer's expectations. This is an analysis of the strengths, weaknesses, opportunities and external threats: Strengths: •High quality product: that is what made them spread quickly throughout the country. •Good reputation: for their high quality, high carbon, high margin steel wires.

•Large market share: the variety of their products ranging from music wires for music instruments to automakers and tire makers, wires for use in staples, nails, cables etc…. to electrical products and newly emerging aircraft industry. •The ability to make their own equipment: this is cost-efficient to make your own equipment.

Weaknesses: Depending on one supplier: this is a major weakness and the supplier is selling higher in prices with the lowest quality. •No flexibility towards changes: no strategic planning, no alternative plan for anything that might happen. For example, the sudden fall in prices and strikes, new competitors, domestically and offshore competition. •They are disorganized in their company location and the layout is located randomly. •The dependency on one perspective, which is marketing/sales, while they lack having an operations department nor financial department, which is vital to every company.

The lack of development on machinery: they are behind technology; their machines are 50 years old and they did not catch up with new technology. Opportunities: •Going global: after flourishing within the state, they could have gone internationally to attract more customers and flourish throughout the world. • Maintain a large market share: with the army, the music instrument industry and the air crafting industry. Threats: •External Competitors: the Japanese who invaded the U.

S market with their good prices, good quality and acceptable delivery time, which is considered a very dangerous threat. Environmental changes: as mentioned previously, the sudden fall of prices and change in demands. After determine the weakness of the organization I have decided to go through details and review the organization decisions in order to define the defected points within the organization.

OM decisions within the company starting with: 1-Product design: their products are well made and have a high quality, as well as high margin steel wire. The products are varied; ranging from music wire for instruments such as piano/violins; copper, tin and other coated wire, to high tensile-wire for newly emerging aircraft industry. -Quality management: Their main concern is to provide the best quality in all its products. 3-Process and capacity design: The process is called “ process focus”, which is normal for such an industry to take such a process.

4-Location: This is one of their main problem; they spread out throughout the states randomly for no obvious reason. Their headquarters are in Pittsfield, Rhode Island with (500 employees), Akron, Ohio (100 employees) and los Anglos (16 employees). Spreading like that does not make sense. -Layout design: It is organized well and they convey an “ in-house design/construction” of their own equipment 6-Human resources and job design: another defect the company has is the employment of a former sales manager as the president of the company whereas there is no obvious operation manager and not even a finance department manager. How can a company exist without these three departments?! Obviously because the whole company is working on a sole point of view.

7-Supply chain management: another large defect is that the whole company product is depending on a sole supplier which has less quality material and high prices as well. -Inventory: They have two warehouses; one in Chicago and one in Los Angeles. They are meaningless, with 12 employees in total being far away from their customers and their headquarters with no particular reason. 9-Scheduling: N/A 10-Maintenance: there is no clear vision from the case. Recommendations: As demonstrated above I recommend that the company should do the following: I am going to fix the company internally first by doing the following: I.

Replacing the old production machine with new technology, in order to get lower costs, which has a faster production rate to meet the demands of the markets like other competitors. This is a crucial step that should be made.

You should Purchase Computer Aided Manufacturing (CAM) machines, which are easy to use, fast to get the product done.

Buying these machines will lower the demand for labor, which means less cost to the firm. II. The company should have more than one point of view. They should get a professional operational manager to cooperate with the excellent sales manager who could raise the sales 100% in these hard times as well as the good reputation that the firm has. The importance of teaming up is to reduce costs without having to cut down wages and lose good employees. Combining both skilled managers with an effective finance department manager will form some sort of strategy in order for the firm to go excel. III. The location of the firm should be changed according to its customer’s locations.

It is meaningless to spread out for nothing; it can take smaller offices that can be located where their most demanded areas are and can guarantee to benefit from being close to their customers to understand them and in return develop ways to improve their products accordingly. IV. We use the Products by value analysis tool: this is the Pareto principle, which is ” Focus on the critical few, not the trivial many” which is applied to our case here. The company should define what is their main product to work on it, and as mentioned in the case, the orders for common grades of the steel wire products such as staple wires, stitching wire, tire bead wire and brush wire continued to increase and it should kill the decrease in demand product such as the music wire and other high carbon products.

Doing so would be the first step of cost cut when focusing on few items. V. A second method to be used is called the " just in time" method which suggests building a reliable supplier relationship in order to deliver our demanded material on time to produce our product.

In the case, we need to eliminate the warehouses/ inventory by dealing with suppliers who are reliable enough to deliver our product on time. By using the method we will cut the costs by: 1-Eliminating the stacks of unwanted products/items. 2- No taxes for inventory and keeping products. 2-No electricity bills for warehouses. VI. Another solution is to go internationally for the following reasons: a. Reduce the costs (labor, tax and tariffs).

For example, if they go to China, the labor is very cheap there, the taxes are moderate and there are plenty of raw materials to initiate a project. b. Improve supply chain: they should go to the area which mostly provides their raw materials and thus they should place their facilities nearby to cut down costs. c.

Provide better goods and services: another reason for international operations is to reduce response time to meet customers'' changing product requirement. Customers who purchase goods and services from U. S. irms are increasingly located in foreign countries. Providing them with quick and adequate service is often improved by locating facilities in their home countries. d. Understanding the market: because international operations require interaction with foreign customers, suppliers and other competitive businesses, international firms inevitably learn about opportunities for new products.

Another reason to go into foreign markets is the opportunity to expand the life cycle of a product. For example, in the case, the music wire, if they went to Europe they would have found a demand for it. . Attract and retain global talent: global organizations can attract and retain better employees by offering more employment opportunities. They need people in all functional areas and areas of expertise worldwide. All in all, the main idea of these recommendations is to help JSC overcome their problems by making them go internationally to expand their market share and not depending on one market. This way they can guarantee more profit, existence and maintain their shinning reputation with their quality products.