Riordan manufacturing–business systems analysis essay

Riordan Manufacturing– Business Systems Analysis Riordan Manufacturing– Business Systems Analysis Mission Riordan Manufacturing leads the industry in the field of plastic injection molding.

The organization specializes in innovative plastic designs, manufacturing plastic bottles, fans, heart valves, medical stents and other custom plastic parts. As a for-profit organization, Riordan Manufacturing is one of the fastest growing organizations in its field, with annual earning that averages up to $46 million. Though the company's annual earnings seems like it is well off, Riordan Manufacturing is not reaching its full potential of growth and profit generation. According to the mission of the organization, the focus for the company's future is " achieving and maintaining reasonable profitability to assure that the financial and human capital is available for sustained growth. By assuring that our employees are well informed and properly supported, we will provide a climate focused on the long term viability of our company. And we will strive to be a solution provider for our customers and not be a part of our customer's challenges.

Like all successful companies, Riordan manufacturing always has room for improvement. In order for Riordan Manufacturing to grow as an organization and reach its full potential of generating profit, the organization must implement enhancements to all of its business systems for all departments. Internet Site Riordan Manufacturing's website is the first face of the company that most consumers see. The website consists of the stylish Riordan logo in the upper left corner of the page. The upper right corner houses the address, phone number and contact info of the main headquarters in San Jose,

California. The middle left of the webpage gives a brief description of the company.

Next to that there are a couple pictures of products that the company makes with a list of some of the other products that are finally the lower left-middle of the webpage shows a picture of Riordan Headquarters. Although the Internet webpage seems easy to read and appealing to look at, the webpage lacks key features to be an effective advertising tool. The webpage needs to contain more information for the first time costumer searching for plastic injection molding. The logo is nice and the brief description is good to introduce the company to the consumer. However, there needs to be a link to allow the viewer the opportunity to read more into Riordan's history and background.

Another important area of the webpage that needs improvement is the contact information. The e-mail address under headquarters address and phone number is incomplete. A " Contact Us" hyperlink needs to be provided. This hyperlink should contain the full contact information (address, phone number, and e-mail address) for all four of the Riordan Manufacturing locations. The last section of the webpage that can use more detail is the list of " Some of Our Products". This list needs to be a complete full list of all products available so consumers can have no doubt in what is available. Each product also should be a hyperlink directing to different pictures of the products available. Description Finance & Accounting The Finance and Accounting Department of Riordan Manufacturing is responsible for all financial transactions of the company.

This includes accounts receivable, accounts payable, creating financial reports for review by upper management, purchasing, budgeting, and forecasting. Riordan Manufacturing has 3 operating entities; Georgia, Michigan, and California, with also a joint venture in the People's Republic of China. Each location has its own Finance and Accounting Systems, and all provide input that is consolidated at Corporate Headquarters, in San Jose, California. The components of each system include: General Ledger, Accounts Payable, Accounts Receivable, Order Entry, Procurement, Sales and Purchasing History, Invoicing and Shipping, Payroll, and Financial Reporting.

San Jose also includes EDI, Bar Code Reading, and an Executive Decision Support System. Riordan Manufacturing acquired their operating entities in Michigan, and Georgia without addressing the Finance and Accounting software compatibility of the existing systems. The Michigan location had purchased a vendor developed software application, however the vendor is no longer in business.

Their application runs on a pair of DEC Alpha's using VMS operating system, VAX4000 work stations, and programmed in C. Georgia had purchased a vendor developed software application and the attendant source code as well, but from a different vendor. Their systems run on a pair of AS400's using UNIX OS, using Windows PC's and programmed in RPG400. The problem facing Riordan Manufacturing is in the consolidation of these systems in order to create a cohesive set of data. Currently, some Finance and Accounting data is provided via hard copy reports that must be re-entered, some data is provided via data files but must be re-converted to the

proper account codes, and some data is provided in compatible code. The following specific problems have been identified by Riordan Manufacturing.

1. Consolidated close of the general ledger and subsequently the Income Statement and Balance Sheet is labor intensive, and normally not completed from fifteen to twenty days after the end of the month. 2. Audit (to include external auditors) is required each month and is costly and labor intensive. 3. Compliance with new government required reporting requirements at the consolidated level is difficult at best. Riordan Enterprises finds the situation unacceptable, and has mandated that solutions / alternatives be recommended as soon as possible. Human Resources Human resources are one of the main parts of an organization.

It is the single department that houses all information regarding the employees, policies and procedures, company communications, job descriptions, classifications, organizational charts, and various reports. All of the information is stored on a database that is run by software from a company called Infor. It is also a human capital management (HCM) tool which was implemented in the year 2000 during the company's recent expansion. During the migration over to Infor's HCM system, all of the old paper record files, since the company's inception in 1991, was converted and stored onto the current database that the department has been using ever since. In 2000, when Infor's HCM system was introduced to the company, the idea of having a paperless system where everything was kept in the databases was phenomenal. It was not until years later where the

managers started to notice more and more issues with incompatibility between the company's business systems.

Currently, the main problem that the department is having is that the other departments are having issues viewing their data because the other departments are using their own individual business systems. The current workaround is that the information must first be converted into a form that is viewable by the other departments. This takes up a lot of time depending on the piece of information that needs to be converted and is bringing the level of productivity down. Legal Every organization needs to have a legal department or at least a go to person that is well experienced in legal matters to make sure everything is safe. Riordan understands this very well and has a dedicated person who overlooks every legal matter for the organization.

That person is Lowell Bradford, who is the Chief Legal Counsel for Riordan and his assistant, Rick Ethridge. If there are any matters that need to be reviewed, Mr. Bradford would be the one to go to. In which case, he would take action based on his personal experience or knowledge, or would work alongside a major attorney firm that is retained by Riordan called Litteral & Finkel. The legal department currently does not have its own business system. Instead, Mr. Bradford, who works alongside the firm, Litteral & Finkel, has access to their SharePoint databases for documentation and references should he need, and has access to outlook where he has access to anyone at the firm should he need. Litteral & Finkel and Riordan

Manufacturing have had a great relationship and the firm has been representing the organization ever since its inception.

Their close relationship is due to family ties between Dr. Riordan and his cousin who was a partner in the firm. Sales & MarketingThe sales and marketing department is currently preparing for a major transformation to efficiently consolidate customer information. This will better streamline the department to allow for better customer service, more accurate records, and improved sales and marketing processes. The areas of information that will be consolidated are Historical Sales, Files of Past Marketing Research, Marketing Plans, and Design Awards, Sales Databases, Production Records, Profit and Loss Statements by Item and Group, and Marketing Budget. In efforts to prioritize resources and activities of the sales department, Dr. Riordan has developed a three part plan to reach a goal of $50, 000 in revenue. The three part plan is to be achieved through increased sales to existing customers and expanding sales to new customers.

Part 1: Strategic sales objectives with corresponding financial goals and roll-out schedules. This is the part of the plan that will increase and expand sales. It is estimated that of the $50, 000 goal, 60% will come from existing customers and 40% will come from new customers.

Part 2: Tactics by marketing mix, timing, and relationship to strategic sales objectives. This will be accomplished by four key components, product, pricing, promotions, and place. The company will be open to manufacturing new product suggestions from their customers. Pricing will remain the same,

but give sales managers more authority to give customers discounts as long as minimum profits are still met.

Another way to increase sales will be through sales team promotions. Every time a new client spends at least $100, 000 on their initial order, the sales manager will receive a bonus of $5000 and an additional $2000 bonus will be divided amongst the supporting members of the sales team. Customers will also receive promotions for buying set numbers of products. Riordan Manufacturing will also be conducting a comprehensive market strategy to determine places for expansion.

Part 3: Customer Relationship Management Strategies. Here is where it is up to all the employees to help build stronger relationships with customers to help bring in revenue to hit the $50, 000 goal. To help with this the company will be providing financial incentives, tradeshow funding, and market research reports. Human Resources Human resources are one of the main parts of an organization. It is the single department that houses all information regarding the employees, policies and procedures, company communications, job descriptions, classifications, organizational charts, and various reports.

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It was not until years later where the managers started to notice more and more issues with incompatibility between the company's business systems. Currently, the main problem that the department is having is that the other departments are having issues viewing their data because the other departments are using their own individual business systems. The current workaround is that the information must first be converted into a form that is viewable by the other departments. This takes up a lot of time depending on the piece of information that needs to be converted and is bringing the level of productivity down. Operations In order to ensure consistency of operations and quality control at all Riordan plants, a common set of procedures has been developed for the management of receiving raw materials, tracking products during manufacturing, and accounting for the finished goods inventories. The following describe the procedures that are currently in place at Riordan: Receiving of Raw Materials 1. A truck from the supplier with raw materials arrives at Riordan receiving area and the receiving area supervisor compares shipping document against scheduled incoming orders.

2. Following validation of the materials to be received, the receiving area team unloads the truck and moves the raw materials into the raw materials area in the factory. 3. At the end of each day, the receiving area supervisor gives the log of all raw materials received during the day and the associated

shipping documents to the receiving clerk. . The inventory clerk enters the information related to the raw materials receipts into the inventory system. The data entered includes the type of materials received the vendor, and the quantity.

Manufacturing with Inventory 1. As raw materials and sub-assemblies are taken out of inventory, the manufacturing staff completes an inventory usage from to indicate the type of materials removed from inventory and the quantity. 2. The inventory clerk enters the information related to the raw material and sub-assembly usage into the inventory system 3. As the manufacturing team builds sub-assemblies and final products, they complete an inventory form which is given to the inventory clerk for updates into the inventory system. 4. The inventory clerk enters the information related to the sub assemblies and final products added into the inventory. Final Product Shipping 1.

Orders from customers come into Riordan via phone or fax. There is also a sales staff that can place orders for customers. 2. The sales orders are entered into the customer shipping and billing system. Based on the shipping document generated each day, the shipping department will load the trucks with the products specified by each order.

3. The inventory clerk updates the inventory system based on the shipping documents. Riordan Manufacturing's inventory and manufacturing processes are obsolete.

Riordan Manufacturing's mission for its future states that " we must be focused in achieving and maintaining reasonable profitability to assure that the financial and human capital is available for sustained growth. " In order for Riordan Manufacturing to grow as an organization, a new inventory process must be implemented. Conclusion The Internet, Sales & Marketing, Finance & Accounting, HR, Legal, Description and Operations systems are what make Riordan Manufacturing's entire system a whole. All successful organization's objective is growth as a company and profit.

As clearly stated in the mission statement of the organization, Riordan's focus for its future is " achieving and maintaining reasonable profitability to assure that the financial and human capital is available for sustained growth," which is no different from other organizations. For Riordan to reach its set objective, it must implement the changes suggested by the IT department for each subsystem. It takes money to make money, and it's certain that the decision makers for Riordan Manufacturing are aware of this. It is a fact that the company will have to spend some money to execute all suggested improvements for each system. With these improvements, it is guaranteed that an increase of profit will show as a result of change, and company growth will occur, making Riordan, one of many organizations to successfully reach its objective. References