

# Automation mis

[Business](#), [Manufacturing](#)



Why is AutoNation having a problem with its inventory? AutoNation having a problem with its inventory because of... - Detroit's century-old business model, which dates to Henry Ford's mass production of millions of largely identical Model T's. Rather than build cars to suit customer tastes, U. S. auto makers churn out what makes sense for their plants, and then use incentives and rebates to lure buyers. The thirst for revenue to pay for mounting health-care and pension costs has further encouraged companies to keep plants running regardless of demand. - Dealers often have a surplus of new cars sitting in their lots for months at a time that no one wants to buy it. Why is this also a problem for auto manufacturers such as GM, Ford, and Chrysler? Their manufacturing processes are not set up to quickly change production models and have been geared toward optimizing the efficiency of the production plant. Still, selling cars isn't the same as selling televisions or toothpaste. For one thing, it takes up to three years for a car company to design and build a new vehicle. Consumer tastes can shift almost overnight as gasoline prices rise or fall, or as one automotive fashion fad gives way to another. How is this problem impacting the business performance of AutoNation and of the auto manufacturers? The problem impacting business performance of AutoNation and of the auto manufacturers by the following...

- Losing market share to the Japanese and Koreans - auto manufacturers are scrambling to revamp their product lineups
- The enlarged inventory and slow turnaround hurt dealers because they must borrow money to pay for the cars the manufacturers ship

What pieces of data do AutoNation need to determine what cars to stock in each of its dealerships? The following pieces of data AutoNation need to determine... - Preferences of car buyers (Fuel

efficient small car or top-of-the-line interiors with V8 engines) - Most popular configurations (Such as Ford F Series for year 2006) How can it obtain these data? The data can be obtained by using sophisticated analytic software. AutoNation uses proprietary analytic software as well as assistance from DME. The chain has divided customers into 62 groups that receive mailings that have been customized for each group with relevant sales pitches and service specials. What is AutoNation's solution to its problem? What obstacles must autonation overcome to implement its solution? How effective will the solution be? AutoNation's pressured the Ford, GM and Chrysler to cut back on production and focus on building cars that customers actually want. Besides they attempted to integrate customer data with auto manufacturing processes. The work started when the company put forth a major effort to consolidate the customer lists from its hundreds of dealerships. The following obstacles needed overcome to implement its solution... - big and rising costs for union health care and pensions - Operations and those of their suppliers -- many of whom are also ailing -- tend to be older and less flexible than those of Japan's Toyota and Honda Motor Co At present it can't be said how effective will the solution be because after implementation it requires time and several studies.