Free production case study example

Business, Company

1.

Analysis of Sherpin's Markets Key Order-Winners

The table shows the key factors in order-winners in the market of Sherpin, which is a strategic business unit within Northrop Industries. Jim Heaton, sales manager, explained that every project they make is designed specifically to meet the technical requirements of the customer (Hill 2000).

2. Operations

- The operators in the production section are extensively trained in the use of techniques such as statistical process control (SPC) in order to ensure that quality standards are met.

Purchasing

- In the past years, the company held buffer and stocks for future demands so that the operation would not be delayed.
- Now, the company orders from the suppliers only as and when they are required in order to reduce the buffer and safety stocks, which would be used only when someone orders for them in the future.

Order Processing

- The company allots two weeks for the production lead time so that they can set up the parts. This is because some suppliers are not that reliable in delivering the parts.
- Setting up a longer time for production allows the company to accomplish the designated time for delivery without having to spend overtime for the production.

3.

- Meaningful Differentiation

According to Chary (2008, p. 23), meaningful differentiation means being unique

and superior in some aspects of a business, particularly those that have value to the customer. These include a wider product range, a functionally superior product, or a superior after-sales-service. In developing the design for a product, the customer is always taken into consideration by the producers. This is a good strategy that would enable the company to win the customers' loyalty and to retain them for a long time.

- Total Quality Management

Halevi (2001, p. 284) states that the main goal of total quality management (TQM) is

- Understanding Customer Needs

As proposed by Mahadevan (2007, p. 90) a market research can be done through the conduct of interviews and questionnaire surveys from which the data is analysed to draw out the majority of the customers' needs. Mahadevan (2007, p. 91) explained that a competitor analysis is conducted by " reverse engineering" the product. This means that the product is dismantled down to its individual parts, in turn revealing the probable process utilised in their manufacture, and which is crucial for competitors who might want to design their own product.

- Communication Between Managers and Employees

According to Mukherjee (2005, p. 23), the behavioural and systems viewpoint play an important role in the communication process within a

company. Mukherjee (2005, p. 23) stated that the behavioural viewpoint focused on developing two competencies: communication and teamwork. This viewpoint stressed that employees' behaviours are greatly affected by their interactions with their peers. In this regard, if managers communicate with their employees and are able to satisfy their workplace needs, then the organisation would be more effective.

On the other hand, Mukherjee (2005, p. 23) explained the systems viewpoint by stressing that managers should focus on how various inputs, transformation processes, and outputs are related to the organisation's goals. The organisation is viewed as a " whole" rather than as a total of its various departments or divisions. This was elucidated by Mukherjee (2005). In this regard, this wholeness requires managers to develop their communication and strategic thinking skills, as well as their abilities to take action.

- Production/Manufacturing Strategies

Panneerselvam (2012, p. 14) expounded on the primary aim of an organization, which is to provide products and services, by underscoring the following factors: (1) timely delivery of the products and services; (2) flexibility in meeting customers' demands in terms of change in the product design or change in the production volume; (3) quality of products that meet the customers' specifications; and (4) cost effectiveness in terms of how the prices for its products and services compare to those of its competitors. It is of utmost importance to consider the customers' satisfaction and feedback. In addition, Saeed (2013) stated two major strategic approaches to product development known as the functional and Integrated Product Development

(IPD). The functional or over- the-wall approach is the old way of developing products, which is either the continuation or the modification of the product design. This process is quite time-consuming and costly, as explained by Saeed (2013). On the other hand, IPD improves collaborative team-based product development, which leads to decreased product and process development lead time, cost-effective production, and timely delivery of the developed quality product.

- Production- System Characteristics

It should be understood that whilst a company is thriving, there are certain dimensions that the management should have in mind. As explained by Rainey (2005, p. 385), the production system used by an enterprise should address the manufacturing outputs desired by the customers. He reiterated the eight dimensions of quality: (1) Performance, which is the product's primary operating characteristics; (2) Features, which is the availability of options; (3) Reliability, which means the probability of the product malfunctioning or failing within a certain time period; (4) Conformance quality, which is the traditional notion of quality; (5) Durability, which is the amount of use the customer gets from the product before it wanes; (6) Serviceability, which means the measure of competence, convenience, and ease of repair services; (7) Aesthetics, which deals with the subjective impression of the appearance, feel, or taste of a product; and (8) Perceived quality, which is another subjective measure based on the customer's perception of the products' reputation.

- Product Design for Organisational Competitiveness

Product design for organisational competitiveness falls under three factors,

which are cost, quality, and time. As discussed by Higuchi and Troutt (2008), cost is a part of the materials selected for the manufacture of the product as well as the labour spent. In this regard, the product should generate income. Another factor is quality, which accentuates the durability, user-friendliness, performance, and conformance of the product. On the other hand, the third factor is time, which is vital in the production of the products or services offered. This means that a product or service should be able to reach the customer quickly or just in time, especially if the company has a lot of competitors.

- Marketing Strategy

According to Baldwin and Gellatly (2003), a firm should have a strategy on whether to maintain an existing product or introduce a new one. In their book, Baldwin and Gellatly (2003) explained the two types of strategies often used by firms and companies, namely the product-based and the quality-oriented niche strategy. The product-based strategy makes the existing product as attractive as possible to consumers whilst the quality-oriented niche strategy aims at maintaining the loyalty of existing customers rather than attracting new ones (Baldwin and Gellatly, 2003). Whatever strategy a company utilizes, it is always better to use either of these two.

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