

Westmills carpets limited essay sample



**ASSIGN
BUSTER**

Derek Mather should act as the turnaround manager and get everybody involved in his solution under his direct command. The most urgent thing is to get rid of non-profitable products and cut cost. On the other hand, he should improve cooperation between departments and fully develop the control and financial system in order to achieve on-time delivery and reliable product quality.

Why should it be done?

First, the degree of shareholder commitment would be impressive if CED is prepared to supply additional capital and personnel. Currently, Westmills need a turnaround leader to bring order to chaos. Derek, VP of CED is a good candidate to satisfy shareholders and bankers.

Secondly, Westmills has limitation in their equipment to produce multicolour carpets. Multicolour design is ill fit to the Calgary plat. In addition, due to imported material and exchange rate, its high cost forced Westmills into non-competitive situation. On the other hand, they can make a good solid color fabric and reasonable upgrades will bring more profit for them.

Third, dependability of delivery and good quality are always important in maintaining good customer relationship. But Westmills' quality and delivery problem are the worst ever. One reason is the difficulties of coordination between some departments, such as urgent sales order cause manufacturing department unable to schedule properly, which rise up the quality problem and make customer unsatisfied. Then it will be difficult to get order from this customer again. The other reason is half-finished control system, with

shortcoming from order entry to cost control, are unable to keep reasonable effective or efficient standard.

How should it be done?

At first, Derek should give up non-profitable products, such as multicolour carpets and upgrade its strong product–solid color design in order to get more profit from it.

Second, Derek should finish his control and financial system completely so that Westmills will be more effective and efficient. For example, manufacturing department will not lose any order from sales department and be able to proper schedule its production to ensure on-time delivery and reliable quality.

Third, Derek should create budgets from the bottom up and strictly enforce accountability. But at the same time he should encourage coordination between departments under direct control of Derek to reduce any interference factors so that everybody will make effort to achieve the company's goal as a whole.

Fourth, to develop a stable workflow and keep certain level of training is necessary for Westmills. And at meanwhile, eliminate the impact of rumours and enhance the morale among the employees with profit-sharing plan.

The last but not least, Cash flow and other financial reports should be submitted to Derek frequently so that he will have a idea for current operation of whole company and be able to make any change accordingly.