Agile electronics

Agile is concerned about their ability to supply the assembly without assistance from Automate but their CEO Is pushing them to step up to the challenge. Agile is also concerned about their downstream suppliers that Automate has chosen. During development at the MOM, actuator assemblies from Agile were rejected as failures twice. This has lead Automate and Agile to try and find a root case of the failure and try and develop a solution so It does not happen again. (2) a one-sentence description of the primary decision problem/issue: .

The issue here is the quality standards and processes in place at tier 2 and tier 3 suppliers within the supply chain and the problems it has created upstream leading to a decision of whether to invest in improving quality standard at these points or resource elsewhere. (3) a list of the key protagonists and their roles, possibly also their opinions and viewpoints; Surest Kumar: Vice-president of operations at Agile Electric. Responsible for addressing the quality concern received from their customer Automate.

He believes Automate needs to deal with the quality Issues Identified with the suppliers supplying Agile because Automate chose them. Raja Reedy: CEO of Agile Electric. He Is pressuring Surest to act fast on the most recent quality complaint from Automate. Tom Smith: Automate Supplier Quality manager. Was concerned about going with Agile citing they had no experience with manufacturing this critical part. John Arthur: Automate Purchasing manager. Supported the decision to go with Agile feeling that Automate had developed them enough over the year to handle supplying the assembly.

Run Raw: Agilest Electric Development lead. HIS primary concern was that the company has no idea where they get some very critical parts for the actuator assembly. Automate: Supplier to Ford (MOM). ESP.: Supplier to Agile. Does not hold a strategic interest in their business with Agile. Financial do not show a high contribution margin. BILL: Supplier to ESP.. Agreed to their contract because of the big names Involved. Their financial do not show high margins. I believe a preferable alternative going forward would be to stay with the existing supply base but increase the margin for the tier-2 and tier-3 suppliers.

Automate has room to spear on per piece cost with Agile as compared to local North American suppliers. The increase in purchase price would be an effort to make their business to the tier-2 and tier-3 suppliers more profitable resulting in an increased focus on quality improvements. Right now the tier-2 and tier-3 suppliers are not focused on purporting Agile and Automate because their business with them is not very profitable. The visits by Automate were not received by upper management and the changes of proposed improvements were left with line personnel to implement.

It cannot be expected that those improvements will last long. This can be seen as an investment in the future for Automate. They are developing their supply chain within India which should result is lower future cost. Future cost reductions can be pursued to get the purchase price down to the original target. (5) any additional thoughts or assessments that came to mind when reading the ease, on how the issue could be dealt with best. I really think that an investment in the Indian supply base will yield future benefits.