

Case study of stickley furniture in the fluctuating market



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Introduction

L. & J. G. Stickley has passed through the taste of time from its inception in 1900. Its popularity has been rooted to the high quality exhibited by each worker in the industry so that the ends result of its furniture products, are outstanding. The company has also invested in production of its furniture using various kinds of wood. This form of diversity, use of cherry to mahogany wood has won the company extensive markets among them are 120 dealers in the United States. Today, L. & J. G. Stickley is proud to own five retail shops in New York and two in Connecticut.

One unique feature to this big company that contains over 1, 350 employees is its ability to compete in flexibility; it understands the fluctuating market and has incorporated two production process methods that meet its market needs fully. L. & J. G. Stickley Furniture has efficiently combined two production processing methods; batch and continuous production process to effectively meet its customer's demands. Today the company boasts of high market after the concentration of its market to focus on oak furniture, which

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has made it win so many customers. This is associated with the experience that the company has gained over the years from its inception by Leopold and George Stickley. When it was about to be closed in 1970, but regained in 1974 under the same leadership but different owner the company has studied the market and knows exactly how to furnish for house lovers (Karl, Latham & Latham 2001).

Production process

L. & J. G. Stickley Furniture uses continuous production process to produce a large number of furniture. This is because of the continuous flow of process from one step to the other without disconnection. When boards are received from the lumber mills, they are immediately inspected to check for knots and other defects before it is passed through the computer controlled optimizer saw which cuts it into smaller pieces. As this lumber is released in pieces from the computer, the workers glue some pieces together which will be used at the end product as the tops of desks or tables. It is then passed through the pressers which compacts the glued pieces into a solid and strong board. After these preparations, with the ending step being the sanding, which focuses on smoothening the board by removing excess glue on the board, rectangular or circular holes are drilled into the timber. Mortising also completed at this stage, where the timber is shaped into different designs outstanding designs.

All the stages above are continuously being undertaken as preparation processes after which they are immediately joint into full furniture. The process involves both the skilled and unskilled workers. The unskilled

workers handle the inspection of knots, gluing the pieces and sanding. The <https://assignbuster.com/case-study-of-stickley-furniture-in-the-fluctuating-market/>

skilled workers handle the computerised saw, the curving and drilling of the holes which forms the basis of the design shapes and marketing of the product.

Another feature that confirms the continuous production process is the variable cost of electricity which is very low, at \$60, 000 per month, considering their productivity that twenty thousand boards are cut each day. The process is also flexible as not all the boards are fixed into completed furniture. Others are left to cater for customer preferences, repairs and sudden abrupt demands that may arise any time.

However, to a lesser extent there is an element of batch production process methods. This is evidenced by the fact that there are two boom seasons in a year, and other two low market seasons. Therefore during the second and fourth quarters, when demand is low there is production of a high number of furniture which is that is stored into the inventory. This batch, the number furniture goes into inventory and during the highest demand in the season, the first and third quarter, the produced batch is released into the market to meet customers' high demand.

Production scheduling for 40 mission oak dining room sets

As far as L. & J. G. Stickley Furniture production is high, all is finished and partially completed inventory are duly recorded. The management does this to increase the quality of their production, by keeping track of the status and location of the completed and partially completed furniture. Although there are many tasks done concurrently, each job is goes with a particular barcode facilitates placement of job and operation. As each operation is completed,

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the operator removes a bar code sticker and delivers it to the scheduling office where it is scanned into the computer, thereby enabling production control to keep track of progress on a job, and to know its location in the shop.

Whenever furniture is removed, it is passed through the computer barcode reader which will read the furniture and record that it is no longer in the shop, thereby deleting it from the list of inventories in the shop automatically. When nearing peak period therefore the management uses the computer records to assess and determine the type of furniture available, and what amount of each type will be needed to add to the inventory already in the shop in order to effectively meet the expected demand. Hence, the continuous production process will facilitate the batch within this period, thereafter, the season will go down and production will drop to near zero.

On receipt of an order for 40 mission oaks dining room sets, L. & J. G. Stickley Furniture under the Operations manager will determine the current physical capacity to see if it will effectively meet the order on time. Further, they will check for mission oak dining room sets available in the shop to determine how much to produce instead. Next will be allocation of the orders to specific workers with met timelines. The equipment will be allocated the whole work. The number of sequence of the order performance will be determined to actually know how much time will be required to meet the deadline. The, what will follow will be initiating performance to make sure that whatever was planned as scheduled has or is being duly undertaken.

Therefore on receipt of oak boards from the lumber mills, they are immediately inspected to check for knots and other defects before it is passed through the computer controlled optimizer saw which cuts it into smaller pieces. As this lumber is released in pieces from the computer, the workers glue some pieces together which will be used at the end product as the tops of seats of the sets. It is then passed through the pressers which compacts the glued pieces into a solid and strong board. After these preparations, with the ending step being the sanding, for smoothing the board by removing excess glue on the board, rectangular or circular holes are drilled into the timber. Mortising also completed at this stage, where the timber is shaped into different designs outstanding designs.

The wood will be passed to the next workers who will integrate them into the sofas. But before this they have to ensure that the wood forwarded to them is of right type and quality required. This will ensure the end result is of high quality. Workers therefore take much effort to assemble the components into the fully completed sofa sets. This is normally done by the highly skilled workers who determine the end result look, design and conformity to the customer's preferences and tastes. At such process the jobs are attached with the barcodes to ensure accountability and the status of the job.

On completion of the tasks the barcodes are removed from the sets and fed into the computer. This will enable keeping track of the sets. Then the owner will be informed of the completed order ready for dispatch. Before dispatch, the owner will have to come and inspect the sets just to confirm that they have delivered his/ her requirements, before accepting the oak dining sets.

Benefits and problems of the production policy

The production policy favors a ready sale of the furniture for the company.

Prior to the peak season there is excess production of the furniture that will meet the expected high demand for the products. On the other hand because of the frequent occurrences of accidents and customer unique preferences the company has set aside some incomplete inventory and components to meet this. This puts the company on the forefront on competing on flexibility and market hence, winning customer loyalty and attracting even others more (Vollmann, Berry & Whybark, 2005).

However, it is possible and incidences of accidents may not appear and this might mean the company incurring costs with no return and operating under unutilized capacity hence less profits. This also puts the company at risk of incurring losses for the already partially completed inventories which cannot be redesigned to fit to the required furniture. This will in turn be a setback rather than a competitive advantage (Robert & Whybark, 2000).

It is therefore worthwhile if the company engages in limited production of partially completed work in progress products. But instead, focus on the current market needs to the latter. It entails going to the extent of carrying out research and innovation that will substantially add to its quality, flexibility and speed competitive advantage.

Conclusion

One recommendation is that oak wood has grown to be expensive and will in turn lead to high expenses and reduced profits. Oak is also becoming scarcer and its unavailability might ruin the company brand product. I would

therefore suggest that the company changes its objectives and goals to shift from concentration of production of oak furniture. Rather, produce from varied tree types to increase flexibility and reduce the chances of running into disarray again as in the 1970s.

The company has progressed and an order of 40 oak sets, confirms this. I would therefore recommend that the company increases its capacity to meet demand. From the processes it appears that the 30 foot ceiling is too small and leading to overutilization of capacity. Purchase of more computerised equipment will increase speed of the operations and lead to optimal utilisation of capacity (Wallace, & Spearman, 2001).

The production policy should be streamlined more into flexibility to meet the market rather than expecting repairing breakages. The company has always produced quality products. Therefore the allocation of capacities to meet repairs should be reduced further to the probabilities of previous instances of repairs and accidents. L. & J. G. Stickley Furniture has efficiently combined two production processing methods; batch and continuous production process to effectively meet its customer's demands. Moreover, with the best incorporation of the two production processes to meet the fluctuating demand it is worth noting that the company has performed to its maximum capacity, by meeting high demand on time and processing a batch on time as well to meet expected.