

Mexian wire works case study

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Mexican Wire Works Case Study Abstract Mexican Wire Works is a producer of wire windings used in making electrical transformers. This company has the good fortune of booking more orders than they can fill. The company has ordered new equipment to help in the long term, but they still have a short term issue. In addition, the company is refinancing long term debt and needs profits to be as high as possible to counteract the effects of this refinance.

The problem is to select the orders that will make the company the most profitable for the month, while keeping customers happy by filling their minimum requirement.

Introduction Mexican, a subsidiary of Whosoever Wire Works, a Texas firm, is a medium-sized producer of wire windings used in making electrical transformers. Ron Garcia has just started his first week as a management trainee at Mexican Wire Winding, Inc.

He had not yet developed any technical knowledge about the manufacturing process, but he had toured the entire facility and had met many people in various areas of the operation. Carol Allover, the production control manager, provided Ron with a tour of the plant, laid out by process type, followed the manufacturing sequence for the windings: drawing, extrusion, winding, inspection and packaging. After inspection, good product is packaged and sent to finished product storage; defective product is stored separately until it can be reworked.

On March 8 at a staff meeting, Vivian Expanse, Mexican's general manager, introduced Ron to the team and asked him to help with a problem they have been discussing for a long time: a walkout resolution.

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Jose Arroyo, production control manager, explained that the company is booking more orders than they can fill. They will have some new equipment on line within the next several months, but that won't help with upcoming month of April. Jose located some retired employees who used to work in the drawing department, and is planning to bring them in as temporary employees in April to increase capacity there.

Vivian wants their profits to look as good as possible in April and she is a hard time figuring out which orders to run and which to back order so that I can make the bottom line look as good as possible. They would like Iron's to provide a fresh view to help come up with a solution.

Discussion Questions Ron Garcia must develop a plan for Vivian with recommendations on what they would produce and discuss the plant layout. He must also address the need for temporary workers in the drawing department. The following data was provided to Ron for analysis in tables 1 through 5.