

Parameter case study examples

[Business](#), [Company](#)



1. It is very imperative for Oceanics team to evaluate the critical parameters during their site visit of shortlisted companies. For a product like pressure vessel which is huge in size and also requires huge investment, it is very vital to get good quality and technically robust product. The site visit should be focused two very critical aspects; first why there is huge difference in costing of the machine and what quality both companies will be delivering. If Oceanics will pay higher cost what all benefits company will be getting and if not than what all Problems Company will be facing. Oceanic team should monitor all the quality related aspects with very closely during the visit.

There is no harm in taking some references to check the satisfaction of existing customers and also to access their reaction on product, quality and service they had been delivered. Delivery of successful product is depends upon the knowledge and enthusiasm of the team members who will be working on the project. Thereby team knowledge and past experience also need to be investigated. Though Oceanics team monitored all the major things but they missed out three above described aspects; they have not monitored quality aspects closely, they have not taken any references of existing customers and they did not discuss the knowledge & experience of the team members who will be deployed on the project (Pullarcot, 2002).

2. Both of the suppliers have been evaluated on certain parameters during the field visit. Please find below Parameter-wise comparative analysis of both suppliers:

Atomic Products

Nuclear Vessels

Machines

All machines were new and well maintained

Machines were old, not very big in size but sufficient for the desired work

Costing

Estimated cost is lower and costing rates are higher because machines are new and capable to do more work in less time. Estimated cost is higher and costing rates are lower because machines are old and less productive.

Shop Appearance

Building was clean with adequate lighting and ventilation. Laboratories were up-to-date and inspection facilities were good

With inadequate lighting, ventilation and cleaning overall appearance of shop was not good

Employee Union

Employee union was formed and company had faced several strikes in past few years

Since inception plant is working on profit sharing model thereby employee union never formed

Material Control

No evidence was found of material control

Material control was quit visible and each product was marked

Metallurgical and Chemical Laboratories

Laboratories were well staffed and could provide Oceanics with adequate

test specimens required as per the specifications

Laboratories were large and equipped with old instruments

During field visit Nuclear Vessels' team member told their experience of building large size pressure vessel. He detailed out various problems company faced, which resulted into closer follow-up between task force and project engineer.

3. If we evaluate proposals submitted by shortlisted companies, both companies are having its own advantages. Technically Nuclear Vessels proposal was little more impressive as they are having past experience of making the large size pressure vessel and also they have done one project with Oceanics. If we evaluate financial proposal, the offer given by Atomic Products is very lucrative. The total cost quoted by the Atomic Products is approximately 21% lower than the cost quoted by Nuclear Vessels. Both of the parties are ready to deliver on time irrespective of their shop locations.

Based on the written proposal, offer given by Atomic Product was stronger. The party is ready to give same product in far lesser price with guarantee on its equipment whereas Nuclear Vessels is not offering any guarantee on equipment. However Nuclear Vessels is having past experience but Atomic Products is also having good track record in delivering same technology and smaller size vessels.

4. Based on the information available in the proposal and procured during field visit, Atomic Products is likely to be a better supplier. With good infrastructure, well equipped laboratories and all type of machines required

for desire work, Atomic Products will produce a good machine as per the requirements, specifications and timeline provided by Oceanics. On most of the aspects Atomic Product is gaining higher marks except past experience and material control. From the case history we can find out that Nuclear Vessel's project management/ operation was also not that robust before they made a large pressure vessel. Nuclear Vessels faced various challenges while developing large vessel. Now they are more organized because they have implemented all the learning's they had learned while developing large vessel. As Atomic Products is ready for further negotiation, Oceanics can asked for more robust mechanism to control quality of all equipments required for development of pressure vessel. They may also demand for sudden audits by Oceanics team members to check the quality and status of project time to time (pressure-vessels). Based on all evaluation Atomic Products is coming out to be a better option for Oceanics.

5. Atomic Products is offering lower cost with good infrastructure, and guarantee on the equipment but quality control mechanism is not that strong. Nuclear Vessels is having related experience and good quality control mechanism but costing is very high, infrastructure is poor and there is no guarantee offered by the company.

My recommendation here is, Oceanics should organize a round of meeting with Atomic Products, explain them about the problem coming-up and ask them to submit a robust plan to control the quality (Quality). Also tell them about the audits which will take place to cross check quality control mechanism during six months time. Once Atomic Products submit their

quality control plan as per the expectations, Oceanics should execute the deal with Atomic Products.

References

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