

Trine on time.
accepting such an
urgent



**ASSIGN
BUSTER**

Trine University Asad Ullah Khan Student ID # 1327344 Adv Plant

Management Professor: Jimmie Flores The placement of an order by the Bucky Burnside triggers different reactions between Alex and Johnny.

The company has requested for 1000 units of the Model 12. Alex believes his firm can make the shipment despite the short deadline.

Notably, Alex receives motivation from various factors and believes that his enterprise can meet the request. Foremost, his team is active and organized thereby portrays the capability to undertake the production and shipment of the Model 12 to Burnside. After receiving information about the order, Bod, Ralph, and Stacey immediately get into action to calculate production period for the needed units and materials required (Goldratt and Cox, 1992). Ralph admits that it is technically feasible to take the order and Stacey goes to the extent of finding a vendor who would provide the needed materials not available in their inventory indicating their commitment. Additionally, the company had offered such fast turnaround to other clients and could draw from experiences.

The achievement drives Alex to believe that the enterprise could deliver the order on time. Alex also acknowledges that the implementation of the new system that tags all the batches depending on the priority and routing is operating well (Goldratt and Cox, 1992). Besides, the company has undergone a process of ongoing improvement that minimizes the idle time and ensuring the full engagement of workers. They had reduced batches by half, cutting the time an inventory takes on the plant.

A combination of these reasons compels Alex to believe that they can deliver the order on time. Accepting such an urgent order initially in the books of the firm's number one competitor has several advantages. One of the benefits includes high returns that arise from meeting urgent orders.

In most cases, customers who place urgent orders are always willing to pay more to motivate and influence the manufacturer to give them a priority. Even though Alex is outsourcing some of the raw materials, the profit his company expects to realize from the sale is significantly high since labor and inventory costs are minimal (Goldratt, and Cox, 1992). Additionally, the plan to order small quantities of raw materials and ship small batches of the model 12 to the client will ensure flexibility if both suppliers and buyers change their amounts (Berlec, Kusar, Zerovnik, and Starbek, 2014). Moreover, the company's market share will increase compared to the competitor's because it will not only rebuild the business relationship with Burnside's company, but also gain a competitive advantage by adopting and implementing quick response manufacturing system. The disadvantages of accepting the order arise from the adoption of Quick Response Manufacturing (QRM).

The company has to incur costs in restructuring the production system through cutting batches by half and reducing the period taken by an inventory in the plant by resetting engines (Suri, 2016). Additionally, the company will suffer from expenses associated with ordering small quantities. Another demerit is the high risk of interrupting the production process (Berlec et al.

, 2014). The suppliers of the raw materials may opt to give priority to other customers who place large orders. Consequently, the buyer may terminate the contract after receiving the first or second batch. Further, accepting the order may negatively affect other customers who have set almost similar deadlines as Burnside.

The request means millions of dollars in sales. Thus, there is a high probability of giving it priority over other small orders upsetting other clients. Avoiding this possibility requires the company to measure its service performance using Next Scheduled Deadline (NSD) (Ceven, and Gue, 2014) to ensure no customer is disadvantaged. Therefore, Alexi's company stands to gain from the deal although there are possible drawbacks as well.

References: Berlec, T., Kusar, J., Zerovnik, J., & Starbek, M. (2014).

Optimization of a product batch quantity. *Strojnicki vestnik-Journal of Mechanical Engineering*, 60(1), 35-42. Ceven, E., & Gue, K.

R. (2014). Wave release policies for order fulfillment systems with multiple customer classes. Submitted for publication. Goldratt, E.

M., & Cox, J. (1992). *The goal: a process of ongoing improvement*. Routledge.

Suri, R. (2016). *It's about time: the competitive advantage of quick response manufacturing*. CRC Press.