

# Nam case study

Business



In 2003, Karl Huber, who was the vice president of sale, received the email from Escaper In Caracas. He gave the order to Huber because he wanted to redesign the local transportation system in SAA Paulo and ROI De Jeanine.

The customer had requested that N. A. M could deliver the first 25 buses in Santos by November 15th. After the company had completed the order 90 day on time, N. A. M received the contract to product 199 buses that delivered in 18 months.

To complete the order, Huber talked with his friend Aberdeen, the production vice president.

Aberdeen suggested that they could send the order to N. A. M's Prague plants. However, this plant was the smallest plants when compared with other plans in Europe.

In addition, it had the oldest and slowest technology. Consequently, it was not enough capacity to complete the contract. Finally, Brenner decided to divide the full order among Prague factories and the bigger one in Munich. After producing the buses, Aberdeen had to deal with the shipment of the product. He asked Marcus Weiss, who identified and gave him some viable alternatives.

According to the Information in the book.

Weiss created two alternatives that Aberdeen could choose. The first plan was that he transported buses from Prague plant to Hamburg or Rotterdam by train. After that, he used renaissance to delivered the buses to Santos. If he chose the second one, waterway was used instead of trains from Prague

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to Hamburg and used transoceanic like the first plan. Each plan had the pros and cons.

For example, at the first plan, if Aberdeen delivered the buses from Prague to Rotterdam, It could be longer than the distance from Prague to Hamburg.

Compared with the first plan, the second one need more time to transport the products. Assumed that Weiss and Aberdeen chose the railway to delivered buses, we had the table below:

Destination	Geographic distance	ASK	KICK	Delivering time
Hamburg	3 days	4	4	days
Rotterdam	4	4	4	days

Cost per flatcar ?→1, 643 ?→1, 943 Unloading cost ?→45 Loading cost (20 buses) ?→25 Loading cost (over 20 buses) ?→40 (source: Chapter 7 - 2010)

Based on the table, Aberdeen could see that total cost to deliver buses of two plans were approximately equal.

However, delivering time to get the bus from Prague to Hamburg was shorter than the distance from Prague to Rotterdam. In addition, the cost per flatcar to Rotterdam was higher (?→300) than to Hamburg.

If Weiss and Aberdeen chose the water way to transport the products, they could spend more time it needed three more days). Consequently, they missed the time to deliver the products on time and the plan to deliver by waterway was not better than other.

When the buses came to Hamburg or Rotterdam, they continued to deliver to Santos by vessel. In both Hamburg and Rotterdam, it took 18 days to go Santos. However, the delivering time from factories to Rotterdam was longer than other distance (3 days with Hamburg and 4 - 5 days with Rotterdam).

Therefore, they should deliver from Prague plant to Hamburg and used vessel from Hamburg to Santos. Brazilian customer wanted N. A. M to delivered buses at Santos. Weiss and Aberdeen though Incomers when they transport the buses.