

A fashion skiwear manufacturer

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Let us get straight to the point. Sport Obermeyer, a fashion skiwear manufacturer wants to make more money. The recommendations suggested by us are simple and will go a long way in helping the company realizing its goals. This report tackles four broad issues that are faced by Sport Obermeyer, the issues are: Production planning for their short life cycle products. Operational changes to reduce costs of mismatched supply and demand. Coordination issues in their global supply chain. Production in Hong Kong vs. China Each of the issues mentioned above have been dealt with individually and the recommendations are explained in the report.

After a careful study of the problem we have concluded that the main troublesome area to be considered is the Production planning stage. We have suggested an entirely new Planning and Production Cycle that is streamlined and more responsive to customer moods. This involves a three-stage production cycle as opposed to a two-stage one. The recommendations in this report are based on Qualitative analysis as we think that if the basics are done right, the numbers will fall into place. Introduction Sport Obermeyer is a fashion skiwear manufacturer based in Aspen, Colorado.

Their products are manufactured in facilities in Hong Kong and China. Obersport, a joint venture between Sport Obermeyer and a Chinese businessman, is responsible for fabrics and component sourcing for Sport Obermeyer. Sport Obermeyer has suppliers spread all over the world and thus has a global Supply Chain. Sport Obermeyer wants to increase profits by accurately forecasting customer demand and accordingly adjusting the

production cycle. This report recommends some operation, strategic and tactical changes that will help Sport Obermeyer to achieve its means.

Our descriptions of the problems faced by Sport Obermeyer are listed in the next section along with recommendations to solve them or to improve the process. The recommendations are explained with the help of figures wherever possible. The revised Production and Planning cycle is shown in the appendix. Problem Description and Recommendations In this section of the report, we list out the problems that we have identified and also suggest recommendations to overcome them. As mentioned earlier, the major problem that we are trying to solve is the Production Cycle.

The other issues that arise as a result of that have also been taken care of. We think that the planning and production cycle is not efficient enough. There is almost two years of planning before the products are actually sold which still results in uncertainty. We recommend a three-stage production process as opposed to the existing two-stage one. The recommended planning and production cycle is shown in Table 1 in the appendix. The first stage will occur from Nov'92 thru Feb'93 and will be based on a combination of past historical data and forecasts by the management of Sport Obermeyer and some important retailers.

What we mean by that is that the styles with least risk involved will be produced in this stage. Also the forecasts will not just be limited to within Sport Obermeyer but will involve the retailers as well as they are the link that interacts with the customers. Around 25% of the products will be manufactured in this stage. The second stage will occur from Mar'93 thru

Jun'93 or after the Las Vegas show when the demand is more certain. This stage will produce 60% of all products. This is a relatively low-risk production stage, as the retailer orders are already known.