

Chads creative concepts essay



**ASSIGN
BUSTER**

1. This company needs to incorporate time for both custom and standard furniture. They need to allocate resources such as labour and equipment to each product line. This also involves employee hours and number of employees needed. Also, Chad should determine and assign better craftsman to more custom jobs, which are more difficult. The custom furniture is more costly and requires more skill, therefore individual workers need to spend more time and need more skills. In cases, where there are many orders to complete, Chad needs to determine the amount of overtime hours feasible to finish the job. The company is increasing sales, but the process is not running at full potential nor is it 100% efficient.

In the case where orders are piling up, Chad needs to prioritize and schedule accordingly. This is crucial because custom made furniture and standard furniture have different lead times. Custom made furniture takes more time than standard furniture, which means that standard furniture is ready quicker than custom made units. When orders are placed, Chad needs to promise more realistic delivery times.

Decisions about inventory levels and work in process must be made day to day. As inventory adds up, costs add up as well. Overall funds put toward equipment and production must be decided such as buying new equipment and machinery. Moreover, Chad needs to relocate and change the layout of the equipment and machinery. Having two different product lines, Chad needs a more organized layout to ensure materials or people don't get mixed up.

2. Standard furniture sales are steadily increasing, causing a dilemma in production. The problem that arises is that custom furniture is more profitable, and with the increased orders in sales for standard furniture, the standard furniture is put aside while employees work on the custom furniture. This creates high levels of inventory, WIP, and high costs to house these products.

With the addition of this new product line, scheduling, quality, and equipment all have been affected. Chad's company is well reputed and trusted so clients will be confident with standard units. The new product line also affects the time available to use on the machine, because now there are two lines that are being produced. With general purpose equipment which is intended for custom products, the standard furniture tends to tie up the time. There is only a limited amount of machine hours available, so allocating the time for each product line is crucial.

3. The sales for both lines are increasing, but costs are rising because of having two product lines. Standard furniture is less profitable so Chad needs to keep costs down and produce efficiently. Employees that are more skilled are working on both jobs, when skilled employees should focus more on custom made furniture. Since custom made furniture is more profitable, standard furniture are left aside when the firm is busy. This creates space and inventory housing costs. There is no more available space, so all furniture left aside is being housed at third party facilities. Overall the costs are increasing which is reducing the overall profits.

4. There are many things Chad could have done differently from marketing to logistics. There are two product lines, so there should be two different facilities for each line. If both product lines are made under the same roof, Chad needs to separate each line to help control and organize each line. In this way, nothing will be mixed up; all the people and material for standard products will be on one side and all the people and material for custom will be on the other side. In addition Chad would need to determine the better employees and assign them to more complicated work, to ensure quality is being met.

Adding the second product line is what increased costs and got everything tied up. Chad should have analyzed the market and potential profit before making the decision to produce standard furniture. The standard furniture carries more pressure because of the tight deadlines and delivery times. Also if this line was avoided this would have not conflicted with scheduling or prioritizing. Chad's company is known for customer made furniture and they have built a strong name in the market. The standard line has caused so many problems, which in turn will create a bad name for Chad because of delivery times not being met or poorly made furniture.