

Execitove summary for riordan manufacturing



Riordan Manufacturing Introduction: Riordan Manufacturing is in the business of manufacturing plastics, with three branch offices at Georgia, Michigan and California within the United States and a joint venture in China. It manufactures products for the airline, automotive, medical and bottle industries with revenues in excess of \$1 billion. (Forecast, 2005). The Company employs about 300 people within the United States and an additional 250 employees in its joint venture with China.

Organizational framework:

The Executive Branch of the Company is headed by the Chief Operating Officers in the various departments such as Operations, Finance and Legal Counsel, with Vice Presidents of various departments such as Transportation, Sales and Marketing, Human resources, Finance, Product Support and Information Services. Each operating entity of Riordan Manufacturing has its own Finance and Accounting System, however compliance with new Government reporting systems has proved to be a costly, labor intensive process. Another problem faced by the Company is in terms of the F&A systems compatibility among the various entities, so that part of the data generated is relegated into hard copies involving labor intensive, costly work. These are two of the most significant problems the Company faces, for which effective solutions must be developed.

Sales and Marketing:

Riordan has 15 to 20 major, regular customers for its products, of which the U. S. Government is one, with several additional minor customers. Sales and customer data is available to every member of the Sales and Marketing team and the Company also maintains profit and loss statements of all the items that are sold. Sales initiatives include discounts for key customers, sales

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promotions, public relations, tradeshows and sponsorships, among others.

The Company invests annually in marketing research by conducting research in brand development, opportunity studies and by using customer focus groups.

The current projected annual earnings of the Company are \$46 million, however the Marketing Department has set a target of \$50 million in revenues to be achieved in the next two years. The new Sales Promotional approach focus on two major aspects (a) increased sales to existing customers and (b) expanding the sales outreach to new customers. Old customers are to be subdivided on the basis of the size of the accounts, customer needs for the large accounts will be thoroughly assessed, and they will be provided with RFP updates such that these can be developed around Riordan products. Riordan employees will develop sales growth plans for individual customers and conduct industry specific user group meetings. 60% of the sales increment is expected to develop from assessment of existing customer needs. New customers will be actively solicited through tradeshows and other sales promotional efforts, including the offer of incentives to sales personnel. The focus of the new plan is on improving customer relationships and providing value added services.

Conclusion:

Economic conditions for Riordan appear to be positive, as far as future projections are concerned. Inflation and a sluggish economy have posed some problems, however opportunities exist for Riordan to expand into new markets. The lower interest rates and projected drop in oil prices, supported by a strong labor market should enable the firm to meet its sales goals, especially since the appliance, aircraft and automobile markets are expected

to continue to remain strong.

References:

Economic Forecast for Riordan manufacturing. June 16, 2005.

Riordan Manufacturing

Organizational Chart

Finance and Accounting Overview

Sales and Marketing Overview

Sales Plan 2006.