

Administration issues

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Introduction

Order qualifiers are the characteristics that a service or product has for it to receive customer consideration. On the other hand, order winners are those characteristics that win the customer's purchase or win the bid (Nagurney 2006 pp. 26). HG Ceramics Company had issues regarding administration in its supply chain. Its supply chain involved all the stages between the manufacturer and its consumers. This paper examines the administrative issues in the supply chain of HG Ceramics Company. The focus is placed on four purchasing departments. The paper presents the company's background problems using order winner and order qualifiers.

The company's background problems revolved around the product of the company known as wall tiles. The tiles were plain white ceramics. Being plain white was a major characteristic that gave the tiles their order qualifier. In the supply chain maintaining this product in its original state posed problems for the company (Oliver, Webber, 1982 pp. 65). With increasing competition the company could no longer retain its hold on the market as long as its order qualifier was un-altered. The survival of the company could be secured through diversification and finding new order qualifiers. The 'new concept products' made the company to come up with a corporate policy for designing, manufacturing and selling ranges of well designed, high quality, coordinated fashion home ware. This was aimed at reversing the image that was held of the company's products. It would also give it the power to compete in a totally different growing market sector (Oliver, Webber, 1982 pp. 65).

With the new product concept the company realized success but

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administrative problems were still there. The introduction of new products continued to irritate the company's administration. The stock of finished goods was huge and dealing with it presented a problem. Distribution costs had also grown so that the profits being obtained on the old concept products had gone down considerably. The problem of planning was cropping in because new capacity was needed for the manufacture of new ranges. The distribution system was also not suitable for the newly introduced operations. The molding department was also having labor unrest because of the payment scheme being used at the time. The problem here was that jobs had not been redesigned as well as the system of payment which could take account of the manufacturing methods that had changed. The operations needed to be watched and managed closely for the company to maintain its success. The new product concept of the company incorporated new colors and product designs that constituted changing order winners. This was the cause for the success of the company (Nagurney 2006 pp. 36).

Conclusion

In conclusion, the focus of the paper was on administrative problem in HG Ceramics Company with the inclusion of the order qualifiers and order winners. HG Ceramics Company in its new concept products was presented with a number of administrative products among them the problems in the distribution system, irritation from new product introductions, increased distribution costs, need for planning in order to create the capacity for the manufacture of the new ranges, unsuitability of the distribution system for the new operations and the labor unrests because of the unsuitable scheme of payment within the molding department.

Bibliography

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