

Anderson plastics inc essay



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In this case study Roger Gray and the Anderson Plastics Inc. Company has a many purchasing problems and concerns. All of these problems are not directly caused by Roger Gray himself or the purchasing department. In this report I will explain these problems and recommend ways in which these problems can be resolved. One problem in this company is the lack of staff in the purchasing department. The plants number of products has increased from 250 to 550 and Roger Gray is still the only real purchasing agent for the company.

I believe with more help Roger Gray could spend more time monitoring inventories instead of filling out order forms on the computer. If Roger Gray could have more help with doing the simple tasks in this expanding corporation he can worry about bigger things such as keeping their customers happy. Another major issue causing stock outs and inefficiency within this company is the way their supply is transported to them. The rail system has proven to be very unreliable and I believe that using this way of transporting goods for this company needs to change.

For a company to be successful its product and supplies needs to arrive in a timely manner. I think that company should switch to trucking as its primary source of delivery. It may be more expensive initially, but in the long run if there is fewer stock outs it will pay for the extra cost of road versus rail. This motive of transportation I believe will also help make their just-in-time delivery system work more effectively. Another possible solution to stock arriving late is to hold the company sending the stock responsible for it until it arrives at your manufacturing plant.

If the stock arrives late than they pay for the losses your company receives because of the shut down. Another way this company could reduce its chance of a stock out or a prolonged stock out is by possibly having a closer supplier. Instead of materials taking for example 2 days to arrive as opposed to one day then supplies could be delivered quicker. There is also a smaller chance of the supplies getting behind in their delivery because they have a shorter distance to travel.

Holding more of the stock on hand would also be an appropriate way to help prevent stock outs. The company has never criticized Roger Gray for having too many items in stock. It is not necessary to hold the extra items that you don't sell as much in stock, just the primary items. By holding more of the primary resources in stock you will still be able to produce the items that generate the most income. This will help keep customers happy, and will also keep some of the plant running saving some money for the company.

The materials management systems need to be updated. They are never truly up-to-date or real time amounts. The case says that the systems are usually a day or two behind so Roger never actually knows what he has in stock. In order for Roger Gray to be able to do his job more effectively it would help if he knew what he had on hand at any given time. Upgraded computer and company software and hardware as a whole would make the company more efficient. The company may also need to find a different way of controlling and monitoring stock numbers.

Possibly people could alert Roger or one of his fellow staff members when they are taking a load of materials to a new place or area of the plant so he

is aware of where everything is at all times. Another issue within the company is the lack of communication from one department to the other. This was the cause of one of the stock outs because Roger Gray was not aware that an extra big order went out. With centralized purchasing programs everybody needs to communicate with each other so the purchasers are aware of what went out and what needs to come in.

A possible solution for this communication problem could be to give every department manager a blackberry so they can easily communicate with Roger Gray immediately after an extra order has come in. This will also make other parts and people of the plant more accountable for problems that may occur. There are several issues within this company and its purchasing department. Many of the issues can be solved quite easily and with minimal cost. The effects of fixing these problems for the company could be beneficial. They could increase their overall revenue because they will be running more efficiently.