

Week 4



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B) Capa management involves managing a company's cost of unused excess capa which includes unused capa in production facilities, distribution channels and marketing resources (Answers, 2009). John Deere is a multinational firm which offers a large variety of products. The firm's plan to introduce new eco-friendly lawnmower models must take advantage of capacity management in order to lower the cost of producing the new products. The company can utilized the unused marketing materials s from other campaigns in order to advertize the green lawnmowers. A constraint associated with capacity management that must be managed well in order to successfully launch the new products is time. Time can become a constraint if a customer has a specified delivery date (Tutor2u, 2009). Once the company determines the official launch date of the new battery-pack and solar power models it must carefully plan an efficient strategy to ensure the product reaches its destination on time.

Capacity management can help the company lower the costs of moving the merchandise through the distribution network. The shipments of merchandise most of time are send in trucks that are not completely full. The company must coordinate its launch to take advantage of the unused capacity of its shipments to corporate clients. In order for the company to optimize its logistics the firm must invest in the latest information technology. A technology that can help John Deere coordinate its delivery of its new lawnmowers are radio frequency identification tags (RFID). RFID tags give managers the capability of tracking the position of the merchandise while the items are in transit or in a warehouse.

D)

E-commerce has become an integral strategy that must be utilized by

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multinational firms as a channel to move merchandise. The consumer purchasing patterns have changed a lot in the 21st century. There is a portion of the population who prefers to buy online. In 2008 in the United States e-commerce generated \$146 billion of online retail sales (Plunkett Research, 2009). An e-business platform provides benefits for the supply chain of an enterprise. The implementation of such a strategy to market the new green lawnmowers would lower the operating costs of the company. Sales generated through the e-business are direct sales for the company. A direct sale eliminates the profits achieved by the distributor which raises the profitability of John Deere.

The electric and solar powered lawnmowers the company developed are going to be a big hit among technology savvy consumers and environmentally conscious people. Since the product is a new innovation during the introductory phase the demand for the product is going to be low. A way to increase the sales of the product is by targeting internet consumers. The global supply chain needed to have the product available globally would be too expensive if the company utilized traditional channels. The use a company sponsored e-store would enable the firm to reach the entire global population. John Deere would be able to control the information across the global network. It is important to orientate the consumer about environmental benefits of the technology and the cost savings achieved by eliminating the use of gasoline.

References

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